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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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More on Cambodian SNC Meeting

Reception for SNC Held on 26 Jun in Phatthaya

BK2806071691 Phnom Penh SPK in English 0517 GMT 28 Jun 91

[Text] Phatthaya SPK June 28—A banquet in honour of all participants in the SNC [Supreme National Council] meeting was offered at Royal Cliff Hotel on the evening of June 26 by the royal government of Thailand.

Speaking to his guests, Anan Panyarachun, prime minister of Thailand, said: "Tonight is an occassion of special rejoicing. A number of my colleagues, the Cabinet and commander in chief of the army, have joined me to make a trip from Bangkok to Phatthaya to honour and to share your proudness and your satisfaction in the achievement of a breakthrough to the Cambodian question. I say it is a day of special rejoicing because since I became the prime minister of Thailand three months ago I said publicly and privately that there was an urgency, a real necessity for Cambodians to solve their problem, to solve the internal conflict and to make special effort to reach a settlement among themselves. The Cambodian question has been with us in the world community, with the UN, with the co-chairman, with the P.5 [permanent firve members of the UN Security Council], with the neighbouring countries and also the countries who have an interest in the well-being and peace in Cambodia. It has been with us for too long.

"Tonight," the prime minister said, "I came here to toast a party in a way to celebrate the success and the progress of the Cambodian people, the Cambodian friends."

"I rushed here to share your progress," the Thai Prime Minister concluded.

In reply, Samdech Prince Norodom Sihanouk expressed, on behalf of the SNC, his gratitude to the royal Government of Thailand for all its efforts and facilities for the positive result of the SNC meeting.

Participating in this grand banquet, among others, were Prime Minister Hun Sen's wife and Mrs. Monique Sihanouk.

Gen. Suchinda Khraprayun, commander in-chief of the Royal Thai Army, and Asa Sarasin, Thai foreign minister, were among high- ranking officials attending the toast.

Khmer Rouge: UN Plan Can Be Modified

BK2806064091 Hong Kong AFP in English 0632 GMT 28 Jun 91

[By Charles-Antoine de Nerciat]

[Excerpt] Bangkok, June 28 (AFP)—Arch-enemies in Cambodia's 12-year-old war, in a further sign of detente, have shown readiness to compromise over a United Nations peace plan which they are to discuss next month in Beijing, reliable sources said here Friday.

The Khmer Rouge, the powerful guerrilla force fighting the Phnom Penh Government, reversed an earlier demand for full implementation of the plan by agreeing that it could be modified, the sources said.

The Cambodian Government continues to call for amendments while emphasizing that the changes remain within the framework of the plan, which provides for a strong political and military UN role in an interim period leading up elections, they said.

Faction leaders are to meet July 16-17 in Beijing for talks on the plan, said the sources, who are close to the peace efforts. [passage omitted]

Faction Leaders To Meet in Beijing 16-17 Jul

BK2806034891 Hong Kong AFP in English 0343 GMT 28 Jun 91

[Text] Bangkok, June 28 (AFP)—Cambodia's rival leaders are to meet next month in Beijing for talks on a United Nations peace plan to end the war in their country, sources close to the peace efforts said here Friday.

The meeting, set for July 16-17, will mark the first visit by Phnom Penh's pro-Vietnamese Prime Minister Hun Sen to China, a country which backs his arch-rivals, the Khmer Rouge.

The decision to hold the Beijing meeting was reached on Thursday in the Thai seaside resort of Phatthaya, during an informal discussion between the factions involved in the 12-year-old Cambodia war, the sources said.

The meeting will be informal. It is to be attended, the sources said, by Cambodian resistance chief Prince Norodom Sihanouk, who has decided to act as a go-between in peace efforts, Mr. Hun Sen, Khmer Rouge leader Khieu Samphan, and the heads of two small non-communist forces allied to the Khmer Rouge, Prince Norodom Ranariddh and Son Sann.

The talks in the Chinese capital are to prepare the ground for a formal meeting here in August of Cambodia's Supreme National Council (SNC), which is formed of representatives of all four warring factions, they said.

They will focus on the UN plan, with officials from the world organization, France and Indonesia also attending, the sources said.

France and Indonesia co-chair an international conference on Cambodia, which is to be convened to finalise a peace settlement.

The talks between the factions in Phatthaya marked a major breakthrough as the adversaries agreed on a permanent cease-fire, the end of foreign military aid to all factions, and the setting up of SNC headquarters in Phnom Penh.

UN Envoy Remarks on Results of Talks

BK2806011591 Bangkok THE NATION in English 28 Jun 91 p A6

[Text] Phatthaya—The United Nations, welcoming the outcome of Cambodian peace talks, is considering sending an observation team to Cambodia to assess the ground situation and gather technical information for its role inside Cambodia during the voluntary ceasefire.

A UN special envoy, Rafiuddin Ahmed, said the UN could dispatch such a team, as it previously did when all warring

Cambodian factions earlier agreed to a voluntary ceasefire before the meeting of the 12-member Supreme National Council early this month in Jarkarta.

In May, at the request of Phnom Penh, the United Nations dispatched a four-member military team to make a ground assessment of the situation inside Cambodia and to promote understanding and help create favourable conditions for the Jakarta talks. At that time, the tripartite resistance did not oppose the mission.

However, Ahmed said the new observation team would comprise a larger staff to cover larger areas of work which would include gathering information on what the UN offices could provide, how large a presence they should maintain and where they and communication facilities should be stationed in the country.

Ahmed said the team would report back to the UN secretary general, who would provide advice to the UN Security Council in case it endorses a continued UN presence.

"Such possiblity (of sending a team) exists, since we are obliged to encourage the ceasefire which is long called for by the UN secretary general and the two co-chairmen (of the Paris conference)," he said.

Informed sources said there was the possibility that more than one team would be dispatched to Cambodia before the SNC formally requested them.

Cambodian leader Prince Norodom Sihanouk said he hoped the United Nations would send such a team to Cambodia soon "to establish working contacts" between the SNC and the UN.

"In the process of the ceasefire and cessation of foreign military assistance, I hope they will send a UN special survey team to establish working contacts between the SNC, the UN Security Council [UNSC] and the Perm Five (five permanent members of the UNSC)," said the former monarch.

The SNC, a unifed body of the four Cambodian factions, agreed during their talks in Phatthaya to a general ceasefire and the cessation of foreign arms suplies but could not reach a consensus on verification by the United Nations.

However, without a full endorsement of the draft Cambodian peace agreement, the world body cannot provide a full verification and control operation. In its absence, Phnom Penh proposed that a Cambodian military committee do the job, while the Khmer Rouge insisted on having a delegation of 500-700 UN personnel perform the verification task.

In a final press conference, Sihanouk said the SNC will discuss the possiblity of establishing a "bilateral (Cambodian) team" to monitor the ceasefire and arms import cessation in its next meeting in mid-August at the Cambodian Embassy in Bangkok.

With Cambodian consensus on UN verification, Ahmed said the UN would then send "good offices comprising less than five hundred personnel to work in the field with the commanders of all the four Cambodian warning forces."

But Ahmed insisted that the SNC must be in unanimous agreement, and then send a "formal request" to the UN secetary general for the office's assistance.

Defence Minister Tie Banh on Wednesday said Ahmed's proposal to send a UN survey team was practical, given the fact that the UN will need ground information before it is able to decide how large a UN presence is needed and where it should be located.

On the contrary, Khmer Rouge sources said they would not be happy with the presence of a UN survey team as it could work to the benefit of Phnom Penh which has always objected to a strong presence of the United Nations in Cambodia.

The sources said a small team would not be able to deal with violations of the ceasefire or arms imports.

But a diplomatic source said that with the presence of a UN survey team inside Cambodia, the UN would "automatically become a de facto middle-man in case there is a violation of the ceasefire."

UN Secretary General Javier Perez de Cuellar yesterday welcomed the outcome of peace talks and called for renewed efforts to achieve national reconciliation.

SPK Correction to SNC Meeting Communique

BK2706054691

SPK supplies the following correction to the item headlined "SNC Phatthaya Meeting Issues Communique," published in the 26 June East Asia DAILY REPORT, page 2:

Page 3, second paragraph, first sentence, make read: ...over the last 12 years. The results achieved... (changing number from "15" to "12")

Japan

Gorbachev Signs Directive on Bilateral Ties

OW2706150391 Tokyo KYODO in English 1452 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Soviet President Mikhail Gorbachev has signed a directive designed to serve as a guideline for Japan-Soviet cooperation and to provide for a reduction of Red Army forces on a group of islands claimed by Japan, a senior Foreign Ministry official said Thursday.

The official, who spoke on condition of anonymity, said the presidential directive was revealed to Japan in talks held earlier in the day between Deputy Foreign Minister Hisashi Owada and Soviet Vice Foreign Minister Igor Rogachev.

He said Japan is unaware of when the directive was signed or when it would be made public, though Rogachev indicated it would not be before too long. The Japanese side was not provided with an advance copy.

The official said the document is likely to provide a program for "overall Japan-Soviet cooperation in spheres to be developed," based on the results of last April's summit meeting in Tokyo between Gorbachev and Prime Minister Toshiki Kaifu.

Rogachev told Owada that the directive would also provide for a reduction "in the near future" of Soviet troops on the disputed islands off the coast of Japan's northernmost island of Hokkaido, which Moscow has said have the combined strength of a single division.

The islands—Kunashiri, Etorofu, Shikotan, and the Habomai Group—were seized by the Red Army at the end of World War II and continue to this day to hinder a full normalization of Japan-Soviet relations.

"I think (the directive) gives some grounds for the Soviet military to consider and come up with a concrete withdrawal plan," said the Foreign Ministry official.

Gorbachev pledged to reduce military forces on the islands as a confidence-building measure in the joint communique that he and Kaifu signed in Tokyo.

Soviet Col. Gen. Viktor Novozhilov told the weekly FAR EASTERN ECONOMIC REVIEW recently that some 2,000 personnel stationed in the disputed islands would be demobilized by the end of the year.

Japan estimates that there are some 10,000 Soviet military personnel on the islands, including about 4,500 Soviet ground troops.

Officials said Rogachev told Owada that the presidential directive also gives an outline of the Soviet vision for Japan-Soviet cooperation in the Far East and calls for strengthened ties between the Russian Federation and Japan.

The discussions came in a day-long meeting which represented a combination of the 11th vice foreign minister level consultations and the eighth meeting of the working group set up to resolve differences over finalizing a peace treaty.

Officials said Owada outlined Japan's stance on aid to the Soviet Union, now being hotly debated in advance of the annual summit meeting of seven major industrialized nations in London from July 15-17.

Hinting that Japan is not well-disposed toward financial assistance, Owada noted that a number of international organizations have concluded that technical assistance would be most effective at this stage in the Soviet economic reform process.

Owada said that Japan links the issue of aid to the Soviet Union to the degree of "dynamism" in the Japan-Soviet relationship.

Officials said the reference was to Soviet flexibility in the political arena, namely on the territorial issue.

Owada said Japan also links aid to Moscow to the direction Soviet policy is heading with respect to economic reforms, which is as yet unclear.

Owada reportedly said Japan is sincere in wanting to render assistance to the Soviet Union to facilitate its transition from a command economy to a market economy.

The Deputy Foreign Minister noted that Japan will be sending a delegation to Moscow in mid-July to assist in Soviet defense industry conversion.

He said Japan has adopted a favorable attitude with regard to Moscow's quest for "special associate" membership in the International Monetary Fund (IMF).

Officials said Owada lamented that the Kaifu-Gorbachev summit did not represent the breakthrough in bilateral ties that Japan had hoped for, but said it may nevertheless help to facilitate a future breakthrough.

He said Japan cannot accept the failure of the Soviet Union to explicitly reaffirm the legal validity of the 1956 Joint Declaration, in which Moscow pledged to transfer sovereignty over two of the disputed islands—Shikotan and the Habomais—after the signing of a peace treaty.

Japan holds that the 1956 Joint Declaration also implied that the two sides would continue negotiations on the other two islands—Kunashiri and Etorofu.

Officials said Rogachev told Owada the two sides must move closer to each other's position and implied that the territorial dispute should be approached through an expansion of the overall bilateral relationship.

Owada replied that Japan has no quarrel with the idea of expanding ties, but would reject any idea that expanded ties should precede an acceleration of the peace treaty process as called for in last April's joint communique.

Officials quoted Owada as saying the two processes must be carried out in a parallel manner. But a political decision on the part of the Soviet Union will ultimately be necessitated, he added.

Rogachev said the Soviet Union is "prepared to continue talks, incorporating new ideas" with regard to what Moscow refers to as the bilateral dispute over "territorial delimitation."

Officials said he did not elaborate on what new ideas Moscow may be contemplating.

Reportage on U.S. Proposal To Open Rice Market

Bush, Kaifu To Discuss Issue

OW2806062291 Tokyo KYODO in English 0610 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—U.S. President George Bush is to press Prime Minister Toshiki Kaifu to open Japan's rice market when they meet next month at Bush's vacation home in Kennebunkport, Maine, the top government spokesman said Friday.

Chief Cabinet Secretary Misoji Sakamoto said Bush will urge Japan to scrap its ban on most rice imports to help propel the Uruguay Round of free trade talks, stalled over agricultural trade.

He said the issue was suggested by U.S. Deputy Secretary of State Lawrence Eagleburger in a letter sent to Japan's Foreign Ministry and Agriculture Ministry via the U.S. Embassy in Tokyo.

Bush and Kaifu are to meet July 11, before the London summit of seven leading industrialized countries, to discuss economic assistance to the Soviet Union, the Uruguay Round of multilateral trade talks held under the General Agreement on Tariffs and Trade (GATT), and bilateral issues.

Sakamoto said at a regular news conference that Japan will adhere to its position that rice imports should be addressed at the GATT talks and not bilaterally.

The United States maintains that Japan could lead a breakthrough in the agricultural talks by making a move on rice, but Japan denies that it holds the key to the talks.

In his letter, Eagleburger said Japan should open its rice market by converting nontrade barriers—its virtual ban on rice imports—into a monetary barrier—a tariff on imported rice, which would lead to liberalization of farm trade.

Agriculture, Forestry, and Fisheries Minister Motoji Kondo said Kaifu's cabinet maintains a "food security" policy, the principle that a country be as self-sufficient as possible in its basic food.

Sakamoto Comments on U.S. Stand

OW2806124891 Tokyo NHK General Television Network in Japanese 0300 GMT 28 Jun 91

[Text] Chief cabinet secretary Misoji Sakamoto has stressed that the Japanese Government will stick to the policy it has been maintaining so far with regard to the opening of the Japanese rice market. He said that the Japanese side wants to find a solution to the issue strictly within the Uruguay Round of multilateral trade negotiations. He made the remarks at a news conference following a cabinet meeting today.

He was referring to the latest U.S. demand that Japan totally open up its rice market. The United States yesterday conveyed to the Japanese side its intention to call for the total opening of its rice market. The United States conveyed this intention to the Foreign Ministry and the Ministry of Agriculture, Forestry, and Fisheries through its embassy in Tokyo.

Chief cabinet Secretary Sakamoto, meeting the press after the today's cabinet meeting, said: The U.S. representation is a reiteration of what it has been insisting at the Uruguay Round, and the United States is expected to raise this issue at the Japanese-U.S. summit talks prior to the London summit of seven industrialized democracies.

He said there is no change in Japan's position that questions relating to the liberalization of agricultural markets, including the rice market, should be dealt with at the Uruguay Round of multilateral talks, not at bilateral talks.

The chief cabinet secretary said that, although the rice issue is expected to be raised at the Japanese-U.S. summit talks prior to the London summit next month, Japan will stick to its position that a solution to the issue should be sought strictly at the Uruguay Round of multilateral trade talks.

Tax on Imported Rice Rejected

OW2806045491 Tokyo KYODO in English 0406 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—Japan will not fully open its rice market by imposing taxes on rice imports, despite the U.S. pressure to do so, Motoji Kondo, minister of agriculture, forestry, and fisheries, said Friday.

Japanese officials reportedly are considering allowing a small percentage of Japan's rice needs to be imported, after years of a total ban on imported rice. The United States wants Japan to allow unlimited rice imports, with taxes on the imports.

Kondo stressed there is no change in the government's stance of keeping Japan self-sufficient in rice. He said he will advise Prime Minister Toshiki Kaifu to maintain that line when he meets U.S. President George bush on July 11.

"Japan won't be presenting any course of action," regarding the issue at the Japan-U.S. summit, he said.

According to Japanese Government sources, U.S. Deputy Secretary of State Lawrence Eagleburger insisted that Japan should fully open its rice market in a letter addressed to the U.S. Embassy in Tokyo.

At a press conference Friday morning, Foreign Minister Taro Nakayama also denied the possiblity of taxing imported rice, which would lead to a complete liberalization of the market, even if the United States urges Japan to do so.

Nakayama repeated that the solution to the rice issue, including the possible introduction of a "minimum access," or the least acceptable amount of imported rice, is expected to be reached this year at the Uruguay Round of multilateral trade talks under the General Agreement on Tariffs and Trade.

Agreement on Ban on Salmon Fishing in N. Pacific

OW2806114491 Tokyo KYODO in English 0616 GMT 28 Jun 91

[Text] Washington, June 27 KYODO—Japan, the United States, Canada, and the Soviet Union agreed Thursday to ban salmon fishing in the North Pacific from the 1992 season, a senior Japanese official said.

But the official said after three days of talks at the U.S. State Department the four countries failed to agree on a ban on drift nets and trawl nets in the North Pacific.

Japan rejected calls from the United States and the Soviet Union for such a ban.

The U.S. and Canada have banned salmon fishing by Japanese boats within their 200-mile economic zones. The Soviet Union has a bilateral agreement with Japan on salmon fishing in its 200-mile zone which puts Japan's salmon catch quota this year at 9,000 tons, including about 6,200 tons on the high seas.

The next meeting among the four countries is set for Ottawa in September.

South African Nuclear Treaty Decision Lauded

OW2806084691 Tokyo KYODO in English 0828 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—Japan welcomes South Africa's decision to join the Nuclear Nonproliferation Treaty, a Foreign Ministry spokesman said Friday.

"This is a significant decision," Spokesman Taizo Watanabe told reporters.

South African Foreign Minister Roelof Botha said in Pretoria on Thursday South Africa decided to join the treaty and will sign it as soon as administrative procedures are completed.

Watanabe said Pretoria's decision, taken in parallel with domestic reforms, "represents a new step forward toward the normalization of the relationship between South Africa and the international community."

The spokesman expressed the hope that Pretoria's accession to the treaty will influence other nonsignatory states to follow suit.

He also said the move will contribute to the strengthening and universalization of the treaty in the years before the 1995 conference on its extension.

Nakayama Expresses Concern Over SFRY Conflict

OW2806092091 Tokyo KYODO in English 0903 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—Foreign Minister Taro Nakayama on Friday declared support for the "unity and integrity" of Yugoslavia and said Japan is "gravely concerned" about the outbreak of armed conflict there.

In a statement issued by the Foreign Ministry, Nakayama urged the government of Yugoslavia and all other parties to the conflict "to halt forthwith the use of armed forces and to reopen dialogue in order to break the deadlock by peaceful means."

Yugoslav Army tanks moved into the rebel Republic of Slovenia earlier Thursday, two days after it and neighboring Croatia declared their independence from the union.

Nakayama said in the statement that Japan "confirms its support for the unity and integrity of Yugoslavia."

Foreign Ministry officials denied the foreign minister's remarks implied the principle of self-determination is not applicable in the case of Yugoslavia.

The officials said Nakayama only meant that the issue of secession from the federation should be tackled through peaceful dialogue and not through "unilateral actions" on the part of the republics.

They differentiated the situation from that of the Baltic states, which were forcefully incorporated into the Soviet Union.

Nakayama's statement made no reference to a possible cutoff of aid, as did previous statements.

Meanwhile, Yugoslav Ambassador to Japan Janko Radulovic was summoned to the Foreign Ministry, where officials conveyed Nakayama's message.

Radulovic was quoted as expressing appreciation for Japan's support for Yugoslavia's unity and integrity.

The envoy was asked to ensure the safety of the 172 Japanese nationals believed remaining in Yugoslavia, including 13 in Slovenia and 30 in Croatia.

A senior Foreign Ministry source said that if the conflict in Yugoslavia escalates, the new crisis may be taken up as a separate topic at the summit meeting of the seven major industrialized nations in London on July 15-17.

The situation was originally expected to be only touched on in an overview of the situation in Eastern Europe.

Compensation Sought in Poland, Egypt Debt Losses

OW2806130791 Tokyo KYODO in English 1144 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—The Japan Foreign Trade Council on Friday asked the government to compensate for losses Japanese private enterprises will incur as a result of a 50 percent cut in Polish and Egyptian debt by the Paris Club, made up of Japan, the United States, and other creditor nations.

Japan's outstanding claims on the two heavily indebted countries reach about 150 billion yen each, of which about 80 percent is covered by the government's foreign trade insurance, council officials said.

The council is an industry body composed of major Japanese trading houses.

Part of the private claims will also be affected by the projected halving of the debts, and the debt reduction losses to be incurred by the Japanese businesses are estimated at more than 20 billion yen, the officials said.

PRC Foreign Minister Concludes Visit, Departs

OW2806103391 Tokyo KYODO in English 0959 GMT 28 Jun 91

[Text] Osaka, June 28 KYODO—Chinese Foreign Minister Qian Qichen left for Beijing on Friday evening after a four-day official visit to Japan.

Qian, the first Chinese foreign minister to visit Japan since the military suppression of the democracy movement in Tiananmen Square in 1989, met Foreign Minister Taro Nakayama and Finance Minister Ryutaro Hashimoto on Wednesday.

On Thursday, he held talks with Prime Minister Toshiki Kaifu and former Prime Minister Noboru Takeshita.

He arrived in Japan on Tuesday and visited Tokyo, Kyoto, Nara, and Osaka during his stay.

Moroccan Foreign Minister Arrives in Tokyo

OW2706114091 Tokyo KYODO in English 1125 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Moroccan Foreign Affairs and Cooperation Minister Abdellatif Filali arrived in Tokyo on Thursday for talks with Japanese Foreign Minister Taro Nakayama.

The ministers will meet Friday for talks on bilateral and international issues, Foreign Ministry officials said.

Filali will leave Japan on Sunday, they added.

Nakayama, Filali Discuss Aid

OW2806112091 Tokyo KYODO in English 0906 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—Moroccan Foreign Minister Abdellatif Filali on Friday suggested Japan could curb the rise of Muslim fundamentalism in the Arab world by extending more aid and boosting investment there, Foreign Ministry officials said.

Officials said Filali, who arrived in Japan on Thursday for a four-day visit, made the remarks in talks with Foreign Minister Taro Nakayama at the Foreign Ministry's Iikura Guesthouse.

Nakayama was quoted as querying Filali on the rise of Muslim fundamentalism in North Africa, which has led to the outbreak of violence in Algeria between fundamentalists and security forces.

Filali said Japan could play a role in fighting the trend by attacking the social ills at the root of problem, namely economic and social development.

He said Morocco wants to exert efforts to stem the proliferation of fundamentalism in the Middle East region.

Officials said Japan extends loans, grants, and technical assistance to Morocco.

Japan extended 1.6 billion yen in loans to Morocco in fiscal 1990, and 13 billion yens in loans the previous fiscal year.

It extended 1.8 billion in grants in fiscal 1990, up from 1.4 billion yen in 1989. The Japanese fiscal year begins in April.

A Foreign Ministry official said Japan could take up Filali's suggestion and "encourage economic stability in North African countries, including Morocco." He said the government will continue its aid and encourage Japanese companies to invest in the region.

Further Report on Nomura Shareholder Scandal

OW2806043991 Tokyo KYODO in English 0330 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—Finance Minister Ryutaro Hashimoto, speaking after a regular cabinet meeting Friday, lashed out at former Nomura Securities Co. President Yoshihisa Tabuchi.

Referring to remarks by Tabuchi Thursday at the Nomura annual shareholder meeting, Hashimoto said Tabuchi had been out of line.

Tabuchi appeared to downplay a growing stock scandal in which his company and three other top securities firms reimbursed major corporate and public clients for losses in the financial markets. Nomura and Nikko Securities are also under fire for allegedly ramping stock prices and offering loans to help a former underworld crime boss.

Tabuchi and Nikko President Takuya Iwasaki resigned Monday to take responsibility for the scandal.

But Thursday, Tabuchi suggested the Finance Ministry tacitly approved the payouts to major clients.

Friday, Hashimoto called Tabuchi's statement "improper," adding, "I (personally) really resent the remarks."

The minister also said the statements draw into question how seriously the former Nomura boss, now a vice chairman, views the allegations and findings against his company.

Nomura held a press conference Thursday after Tabuchi's remarks drew sharp criticism and denials from the Finance Ministry. The company virtually withdrew the words at that press meeting, but Hashimoto said there still is a wide discrepancy between what Tabuchi told him about the scandal and what Tabuchi said at the shareholders' meeting.

Tabuchi should take the matter more seriously as the perpetrator of the incident, Hashimoto said.

A ministry official, however, has admitted recently that the ministry did nothing to stop the brokerages from continuing paying off major clients although it knew they were doing it.

Hashimoto said he also regrets to hear that the ministry gave tacit approval of the practice.

"There is naturally limitations to what we can do to prohibit actions that are not legally banned," he said.

Compensating for losses is not banned by law, but the ministry issued a directive requiring brokerages to abandon the practice in December, 1989.

The Finance Ministry is investigating the allegations against Nomura, Nikko and Daiwa and Yamaichi Securities Cos. and the United States and Britain have begun probes into the four firms's actions abroad.

Officials Not To Be Investigated

OW2806123991 Tokyo KYODO in English 1126 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—The Finance Ministry will not investigate its officials for not taking action against major securities firms who compensated major clients for stock losses, a high-ranking ministry official said Friday.

Vice Finance Minister Hiroshi Yasuda told a press conference that there is no need for an investigation into ministry officials.

Major securities houses provided about 65 billion yen (some 470 million dollars) to clients in compensation for stock losses, manipulated share prices, and engaged in share deals with underworld criminals.

Yasuda said the ministry officials knew nothing about the scandals.

Yasuda's remarks were a rejection of remarks by Nomura Securities Co.'s Yoshihisa Tabuchi, who resigned as president of the company to take responsibility for the scandals.

Tabuchi said the ministry had given tacit endorsement for brokers to make compensation payments to major investors for losses on the stock market.

The Finance Ministry's failure to take action to stop the scandals has received growing criticism from the media. The ministry had issued a nonbinding directive in December 1989 advising brokerages not to compensate major clients for such losses.

A high-ranking ministry official had earlier contradicted Yasuda's remarks, saying that the ministry officials knew about the scandals, but had done nothing.

Finance Minister on Tight Controls

OW2806120191 Tokyo KYODO in English 0926 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—Finance Minister Ryutaro Hashimoto said Friday the government may tighten controls on pensions and other public funds invested in the securities market.

His remarks sent prices on the Tokyo Stock Exchange plummeting, with the value of shares listed on the first section losing 2,765 billion yen from the previous day, to fall to 384,373 billion yen.

Hashimoto denounced brokerages for a series of scandals involving stock price manipulation and payments to major clients, and said the government will reconsider whether it is proper to invest public funds on the securities market.

Observers said his remarks indicated that the Finance Ministry may tighten controls on government funds to be operated on the market.

They said his remarks were apparently directed at demands by the Health and Welfare Ministry for greater freedom to operate its own funds on the market.

The Pension Welfare Service Public Corp., an affiliate of the Health and Welfare Ministry, was alleged to have received kickbacks from Nomura Securities Co. to compensate for bond market losses.

The corporation invests part of its pension funds on the securities market in line with advice from investment consulting firms licensed by the government.

The investment is estimated at 1,023 billion yen in fiscal 1991, ending next March 31, according to government officials.

Hashimoto said these consulting firms are affiliated with brokerages and the question is whether it is appropriate to operate public funds on the market.

Official on Continued Consumer Price Stability

OW2806074391 Tokyo KYODO in English 0344 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—Japan's consumer prices remain stable despite a steep rise in the price index for the Tokyo Metropolitan Area in June, the top economic planner said Friday.

Michio Ochi, director general of the Economic Planning Agency, told reporters the rise was attributable to special factors and the basic pattern of the stable price structure remains unchanged.

Ochi was commenting on a government announcement earlier in the day that consumer prices in Metropolitan Tokyo jumped 3.5 percent in June, up from a 3.1 percent rise in May.

Government officials said the surge was largely due to an unusually steep fall in prices of fresh vegetables a year ago.

Referring to the recent fall in the Japanese yen against the U.S. dollar, Ochi said the yen's weakness is not serious enough to disrupt the price structure.

He expressed hope, however, that the yen will recover.

Public Investment Fund Set for Budget Requests

OW2706141891 Tokyo KYODO in English 1339 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—The Finance Ministry is planning to reserve an extra 200 billion yen for increased public investment in setting a ceiling on general-account budget requests for fiscal 1992 starting next April, officials said Thursday.

They said the plan stems partly from the recent volcanic eruption of Mt. Unzen in Nagasaki Prefecture, southern Japan.

The extra fund for public investment is being established also in connection with Japan's promise at the Structural Impediments Initiative (SII) talks with the United States to make 430 trillion yen worth of public investments in 10 years starting in fiscal 1991.

The extra fund, to be set up separately from the living-related public investment fund established in the fiscal 1991 budget, will cover public investment for forestry conservation, river improvement, and other projects unrelated to daily living.

With the establishment of the extra fund, investment-related outlays in the fiscal 1992 general-account expenditures, including living-related ones, will rise by 400 billion yen, or 5.1 percent, from 7.84 trillion yen in the current year, officials said. The growth in such outlays in the next fiscal year is thus expected to be about the same as the current fiscal year.

Setting a ceiling on budget requests marks a first step by the government toward preparing the nation's budget for fiscal 1992.

An official adoption of the ceiling will pave the way for government ministries and agencies to submit budget requests to the Finance Ministry by the end of August. On the basis of these requests, the Finance Ministry is to draft a blueprint for the fiscal 1992 budget.

Regarding the budget ceiling, the Finance Ministry earlier decided to continue an annual 10 percent cut in ordinary expenses and zero growth in investment-linked expenditures.

The ministry is also considering continuing 1.3 trillion yen public projects with profits made from the government sale of Nippon Telegraph and Telephone Corp. stocks.

Prime Minister Toshiki Kaifu has approved those plans.

Extra Y200 Billion Allotted for Public Spending

OW2806121791 Tokyo KYODO in English 1112 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO - The Finance Ministry told other ministries and government agencies Friday the fiscal 1992 budget will be similar in overall structure to the previous year, except for a 200 billion yen [Y] fund for boosting infrastructure, a ministry official said Friday.

Jiro Sato, director general of the ministry's budget bureau, told chief budget officials of the ministries and agencies the new outlay will come on top of a second annual allocation of 200 billion yen for improving living standards, the official said.

The 400 billion yen, separated from general operating spending and other investment-related expenditures, is part of the government's long-term commitment to boost public works spending, made in Structural Impediments Initiative (SII) talks with the United States.

In a final report to the SII talks, released June last year, Tokyo pledged to spend 430 trillion yen on public works projects in the next 10 years.

The 400 billion yen will push up outlays for public investments for fiscal 1992 by 5.1 percent from the current year's spending, provided expenditures for other items are kept at the same level.

Previously, the ministry has kept the lid on government spending since the early 1980s because of the tight fiscal situation.

It intends to continue maintaining austerity in other areas when it sets the ceiling for general-account budget requests.

It is expected to keep investment-related spending at the same level as fiscal 1991, and slash remaining expenditures by 10 percent to keep the budget in line with the previous year's.

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In calling for austerity from the ministries, Saito reportedly pointed to the 168 trillion yen in outstanding issues of government and public bonds, and that servicing those debts still accounts for over 20 percent of the total budget.

He also said tax revenues can no longer be expected to increase steadily as in recent years, and the outlook for the price of Nippon Telegraph and Telephone Corp. (NTT) stock, of which the government holds a large amount, is unclear.

The special outlays of 400 billion yen have been interpreted as an attempt by the ministry to achieve its goal of a "zero ceiling," meaning no increases in the spending by the ministries.

SDP Officially Announces Leadership Election

OW2806023191 Tokyo KYODO in English 0102 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—The Social Democratic Party (SDP) officially announced Friday that it will hold elections in July to choose a successor to Takako Doi, who is resigning as chairwoman of Japan's largest opposition party.

The SDP will accept registration of candidacies on July 8, the announcement said.

If two or more candidates stand for election, 125,000 eligible party members and associate members will vote July 21 and 22. The vote counting will take place on July 23.

If only one candidate files, he or she will be named to be the leadership post without a vote.

Doi, 62, who became Japan's first woman to lead a major political party in 1986, announced her resignation June 21 to take responsibility for the party's crushing defeat in local elections held in April.

Doi will officially resign at an extraordinary party convention set for July 30-31.

Makoto Tanabe, a 69-year-old vice chairman and the leader of a right-wing group within the party, and Tetsu Ueda, 63, a House of Representatives member from a left-wing faction, are expected to be candidates.

Tanabe led the party reform committee which released a report June 18 accepting the existence of the Self-Defense Forces. Ueda is critical of the report.

LDP Postpones Approval of Reform Bills

OW2806140191 Tokyo KYODO in English 1310 GMT 28 Jun 91

[Text] Tokyo, June 28 KYODO—The ruling Liberal Democratic Party (LDP) on Friday postponed a decision on whether to approve three government-proposed political reform bills before sending them to the Diet, party sources said.

The party's Executive Council, a top policy-making body, held seven hours of stormy discussions on a bill to revise the public election law, which includes the introduction of a system of single-seat constituencies for the House of Representatives, a draft political fund control law, as well as a bill for the creation of a new political party financial assistance law.

But a mixture of cautious views and outright opposition to the bills forced top LDP executives to adjourn the day's meeting without a final decision, the sources said.

The council will hold further discussions on the bills Saturday afternoon, they said.

Prime Minister Toshiki Kaifu told the council meeting, which began at 11 a.m. and lasted until around 6:40 p.m., that the party had held "numerous meetings" to sketch out the bills over the past two years and that they were the result of much effort.

Those opposed to the bills, led by former Health and Welfare Minister Junichiro Koizumi, have charged that they were designed to divert public attention from the LDP's election vow to clear up questionable fund-raising practices, a subject that drew public fire in the wake of the Recruit scandal.

Public fury over the 1988-89 stocks-for-favors scandal forced many senior LDP members to sideline themselves following disclosures of their implicit involvement and dealt the party a 1989 House of Councillors election setback.

Executive Council Chairman Takeo Nishioka asked those opposed to the bills to drop their opposition after saying he wanted to get the bills through the council meeting by the end of Friday.

Council endorsement of the bills is the last intraparty hurdle prior to their submission to the Diet for discussion.

However, former Education Minister Masayuki Fujio balked at the request for endorsement, saying the securing of an intraparty consensus should be the prerequisite for passing bills through the council.

The focus of Friday's discussions was on the proposed new election system for the House of Representatives. The bill aims at reducing the total number of seats in the lower house to 471 from the present 512, with 300 representatives to be elected from newly created single-seat electoral districts and another 171 on a proportional basis.

Under the current system, the 512 House of Representatives members are elected from 130 multiple-seat constituencies of three to five seats each.

LDP members who support the new electoral districting contend that a single-seat system would reduce excessive current spending aimed at attracting voters.

Under the present system, candidates from the same party often end up competing against each other, the result being a resort to favors and even the giving of cash gifts.

Those against the new system charge that a "silent majority" of LDP legislators opposes the single-seat system due to fears that a redistricting would force many legislators to move to newly formed constituencies and renounce strongholds in which they have cultivated the goodwill of voters by dispensing favors and services.

Fujio expressed anxiety as to whether the party could ensure fairness in placing party candidates on the preferential list of candidates required for the filling of the 171 seats to be distributed in accordance with the proportion of the overall vote won by each party.

"To whom is the LDP going to hand over the authority to decide the ranking of candidates to be placed on the (life-or-death) list, whose seats are to be appropriated through the proportional representation system ?" He asked.

Among the three political reform bills is one which would limit the amount that can be collected from an individual or company official in support of a politician to 1 million yen, through the sale of tickets to a single fund-raising party.

The ceiling would be 1.5 million yen when the fund-raising gathering is for a political party.

Opposition parties have blasted the proposal for what they see as its loopholes, saying the bill sets no limit on how many officials from a single corporation could buy tickets.

The third bill recommends that the government provide subsidies totaling 30 billion yen from the national coffers to political parties to finance a part of the huge cost of election campaigning.

Some opposition parties have also balked at this proposal, arguing that such a provision would open the way for an official auditing of election accounts and the possible empowering of law-enforcement authorities to interfere in the activities of parties that receive official funds.

LDP, Opposition Differ Over Political Reform

OW2806045991 Tokyo KYODO in English 0402 GMT 28 Jun 91

[By Mutsuo Fukushima]

[Text] Tokyo, June 28 KYODO—Japan's ruling Liberal Democratic Party (LDP) says its proposal for a new electoral system and restrictions on political funds is just the prescription required to heal the disease of big-money politics ailing Japan.

But opposition parties charge that the "political reform" package is in fact a thinly disguised plan to keep the LDP—in power since 1955—in charge indefinitely.

Only the voters can decide which side is right.

The LDP plan centers on the creation of 300 single-seat House of Representatives constituencies. Another 171 seats would be elected through a proportional representation system, for a total of 471 seats.

Currently, the lower house's 512 members are elected from 130 districts with three to five seats each, meaning that candidates from the same party often compete against each other.

The LDP says the elimination of intra-party competition would shift the focus of campaign debate from personal ties and pork-barrel projects to policies, and reduce spending on special favors to attract voters.

"The single-seat system would end questionable practices ...such as dispensing favors, services and cash gifts at weddings and funerals," says LDP legislator Akira Mitsutake, a vocal member of the LDP's Election System Research Commission.

"To cultivate the goodwill of my constituents, I have pumped about 300 million yen into my constituency and political activities over the past three years and seven months," he said, adding that about half the money comes from business circles. Minority parties have a harder time winning seats in single-seat constituencies.

The Amami Islands, the only single-seat district in the lower house under the current system, is an example of what could happen, said Osamu Yatabe, an Ibaraki Prefecture legislator who belongs to the leading opposition Social Democratic Party (SDP).

In the February 1990 general elections, independent Torao Tokuda defeated LDP incumbent Okiharu Yasuoka by just 1,105 votes in the 110,000-voter Amami constituency.

Tokuda told TV Asahi that some campaigners—he would not say for which side—paid 300,000 yen to 1 million yen for each vote.

"The single-seat system would only create 300 Amami-style constituencies," Yatabe said.

A KYODO NEWS SERVICE projection shows that the SDP, which won 136 of the 512 seats at stake in the 1990 House of Representatives election, would have won only 66 seats out of 471 if that election had been held under the proposed new system.

The LDP, which won 275 seats in 1990, would have taken 366 seats under the new system, the projection showed.

The LDP says its proposals are also designed to reduce corruption by regulating the flow of money, but it would remain difficult to identify companies making donations or to limit how much they give.

The proposal would limit the amount that can be collected by selling tickets for a single fund-raising party, for example, to 1 million yen per private citizen or company official when the party is for a politician and to 1.5 million yen a person when the event benefits a political party.

But, with no limit on how many officials from a single corporation could buy tickets, there would be virtually no ceiling on how much cash a major corporation could stuff into a politician's war chest, said Kaoru Okano, a professor at Meiji University.

Since most major Japanese firms have dozens of subsidiaries, each with many officials who could buy tickets, the potential donations are huge.

A friendly get-together held in May 1987 by the LDP's leading faction, led by former Prime Minister Noboru Takeshita, showed how much money can be raised in just one night. The fund-raiser's organizers told the Home Affairs Ministry they took home 1.12 billion yen. But press reports put the real figure at 2 billion yen or more.

The new LDP proposals have little to prevent more fund-raising parties on the scale of the May 1987 affair, Okano warned, with the new LDP proposals ridden with so many loopholes in regards to measures to regulate inflows of donations from business circles into politicians' coffers.

The reform plan would also restrict corporate contributions to individual politicians more tightly than those to parties. This "would empower a handful of top LDP executives holding the party's purse strings to dominate other LDP members and even factions," said Hajime Shinohara, a professor at the University of Tokyo regarded as close to SDP leader Takako Doi.

Shinohara said this system would make it impossible for the reform-minded leader of a smaller faction to topple a cash-heavy mainstream party boss enmeshed in a scandal—as Takeo Miki did to Kakuei Tanaka amid the 1976 Lockheed scandal—eliminating the possibility of a self-cleansing transfer of power within the LDP.

Meiji's Okano points to the need of "a profound change in voters' attitudes toward political corruption."

Although voters stripped the LDP of its upper house majority in the 1989 aftermath of the Recruit stocks-for-favors scandal, just a year later, apparently won over by promises of favors for their districts, they gave the ruling party a majority in the more important lower house.

What SDP lawmaker Yatabe calls this wave of "voter amnesia" following every major scandal may show that former Prime Minister Yasuhiro Nakasone was speaking the truth in the face of a storm of public fury in 1988 over the Recruit scandal by saying: "When a blizzard is raging, you have only to put up a tent and sit it out in silence!"

LDP Deliberates Draft on Reform

OW2806023291 Tokyo NHK General Television Network in Japanese 0300 GMT 27 Jun 91

[Text] The Liberal Democratic Party [LDP] held a meeting of its research commission on election system this morning to discuss a draft bill for political reform, which contains a plan to introduce single-seat constituencies for the lower house. In the meeting, Prime Minister Kaifu said that he would like to have energetic discussions at a Diet session after the party approves the draft bill. Thus, he again called for LDP's cooperation to officially approve the draft bill.

Upon receiving the draft proposal of the government's Election System Council on redrawing electoral districts for the House of Representatives under the single-seat constituency and proportional representative system on 25 June, the LDP started its formalities today to officially approve the draft bill, which contains the plan for redrawing electoral districts.

A general meeting of the LDP's Election System Research Council was held first thing this morning. Prime Minister Kaifu attended the meeting and made a speech. He said: I would like to have active discussions before the people at the Diet session after the party approves the draft bill, and your understanding and cooperation are kindly requested. Thus, he again called for LDP's cooperation.

After his speech, former Lower House Speaker Tamura, supreme adviser of the LDP, took the floor and said: An agreement was reached at a 25 June meeting between Prime Minister Kaifu, former prime ministers, and the supreme advisers that the LDP should hold prudent discussions after also preparing a proposal for redistribution of seats under the medium precinct system, and comparing it with the draft bill for the single-seat constituency system.

During a question session, after Tamura expressed his views, former Defense Agency Director General Tazawa said: We should listen to the opinions of the supreme advisers. Can anyone explain why the vote in some precincts under the proposal for redrawing electoral districts is worth more than two?

On the other hand, some participants stated their approval for the draft, saying that reform should be carried out because the constituency allocation plan was worked out by a third party. Meanwhile, the discussions are still in progress, with participating Dietmen expressing their opnions for and against the draft plan.

Leaders Said To Favor Reform

OW2706172291 Tokyo KYODO in English 1349 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Most organization leaders polled by an independent social and economic group are dissatisfied with the current political situation and are calling for immediate political reform, the group said Thursday.

The poll, conducted by the Social and Economic Congress of Japan, an independent study group on political and economic issues, showed that many leaders in business, labor, media and academic circles think political reform is essential for future reorganization of Japan's political world.

The group polled 2,016 persons between May 30 to June 12. The response rate was 62.5 percent.

A large majority of respondents pointed to the necessity of creating a political system that would make a change of government a real possibility but most of them said they feel uncertain about having a current opposition party in power, the poll said.

Most of the respondents complained that political reform is not progressing and said it would be impossible to carry out the reform by the end of this century unless significant progress is made now.

Some 90 percent othe respondents in each field called for drastic reform of the current medium-sized constituency system, the poll said.

Most of the respondents called for convening of an extraordinary Diet session in July to deliberate the political reform, the poll said.

Some 80 to 90 percent of the respondents in all circles also urged opposition parties to present feasible counter proposals on the political reform, the poll said.

Kaifu Urges Intraparty Cooperation

OW2706232091 Tokyo KYODO in English 1528 GMT 27 Jun 91

[Text] Tokyo, June 27 KYODO—Prime Minister Toshiki Kaifu on Thursday urged critics within the ruling Liberal Democratic Party (LDP) of three political reform bills to drop their opposition.

"The political reforms bills are the products of long intraparty debate. I request your understanding and collaboration for (a parliamentary passage of) the bills," Kaifu told a meeting of the LDP's research commission on the election system, held at the LDP Headquarters in Tokyo.

Brushing aside the fury from some LDP legislators critical of the bills during the stormy six-hour debate, commission chairman Tsutomu Hata ended the debate by declaring, "A decision has been made to forward the bills to the (LDP's) Policy Deliberation Commission."

The Policy Deliberation Commission, which received and scrutinized the bills later in the day, endorsed them after a turbulent three-hour discussion.

Following the endorsements at the two intraparty commissions, the bills are to be submitted on Friday to the LDP's Executive Council—the party's powerful policy-making body—which is also expected to endorse the bills, LDP sources said.

After being approved at the council, the bills will be forwarded to the House of Representatives for parliamentary scrutiny and approval, the sources said.

The core of the LDP plan is a proposal to divide the nation's 47 prefectures into 300 single-seat House of Representatives constituencies. Another 171 legislators would be elected through a proportional representation system, for a total of 471 seats.

Under the present system, the House of Representatives has 512 members elected from 130 multiple-seat districts.

During Thursday's debate among LDP commissioners, former Education Minister Kazuya Ishibashi questioned the sincerity of the LDP's vow to reform the money-ridden nature of Japanese politics.

"Did the LDP pledge to bring in the single-seat constituency system coupled with a proportional representation system during the election campaigns?" Ishibashi asked.

Intraparty critics have repeatedly rapped the LDP proposals for being a ploy to divert public attention from the party's more important election promises to regulate shady fund-raising practices in the wake of the recruit bribery scandal.

The 1988-89 stocks-for-favors scandal rocked the party hierarchy by dealing a defeat to the party in the 1989 upper house elections and forcing most of the party's faction leaders to retreat to the political sidelines following disclosures of their implicit involvement in the scandal.

The intraparty critics' grouping, the Federation of Parliamentarians in Support of Political Reforms, is led by former Health and Welfare Minister Junichiro Koizumi.

Koizumi told Thursday's commission meeting, "Assertions (by the proponents of the single-seat constituency system) that the single-seat system would end the current (voter-wooing) practices of pumping money into the constituency are inconceivable."

The LDP proponents of the bills have asserted that the new single-seat system would reduce spending on favors to attract voters by terminating the controversial election practices in which candidates of the same party end up competing against each other, dispensing favors and services to voters.

The critics also called for party leaders to survey the opinions of all LDP parliamentarians by having them fill in questionnaires on whether they endorse the bills.

Koki Kobayashi, a vocal member of the group, also called for party elders to decide on the issue of whether the LDP should endorse the bills by a vote among LDP parliamentarians.

Hata called on the critics to back off, saying, "The provisions of the political reforms bills have been sketched out one by one over the past two years. The LDP pledged to reform politics."

North Korea

Journalist Union Leader on Nuclear Issue

SK2806065191 Pyongyang KCNA in English 0516 GMT 28 Jun 91

[Text] Pyongyang June 28 (KCNA)—Hyon Chun-kuk, chairman of the Central Committee of the Korean Journalists Union, appealed to the progressive journalists and men of the press of the world to join voices of justice in the righteous struggle to get the U.S. nuclear weapons withdrawn from South Korea and convert the Korean peninsula into a nuclear-free, peace zone.

In his statement to the press issued on June 27 clarifying the justness of our stand set out in the joint statement of the political parties and public organisations of the DPRK, he said that the United States is now acting foolishly to keep the nuclear weapons in South Korea, taking issue with us, like a thief crying "stop thief", turning a deaf ear to the unbiased public opinion at home and abroad urging it to withdraw its forces and nuclear weapons from South Korea. He stressed:

The U.S. authorities and the South Korean puppets are resorting to all sorts of fabrications, loudly crying for "nuclear inspection" of our area. This is intended to cover up the policy of nuclear war they are pursuing in Asia with the Korean peninusla as the stronghold and divert elsewhere the attention of the world from the danger of the nuclear weapons deployed in South Korea.

Stressing that the Korean and Asian people cannot be safe as long as the United States keeps its nuclear weapons in South Korea, he strongly demanded that the United States give up at once all slanders and intrigues against the DPRK and withdraw all its troops and nuclear weapons from South Korea without delay.

If a nuclear war broke out on the Korean peninsula, it would spell great disasters to the Korean and Asian peoples, he said, adding: to get the U.S. nuclear weapons withdrawn from South Korea and prevent the danger of nuclear war on the Korean Peninsula in advance is a vital task of the Korean people, journalists and men of the press and, at the same time, an important task of the world progressive journalists and men of the press, particularly, of the people, journalists and men of the press of Asian countries.

NODONG SINMUN on Nuclear Weapons Issue

SK2806060291 Pyongyang KCNA in English 0453 GMT 28 Jun 91

[Text] Pyongyang June 28 (KCNA)—The U.S. imperialists, far from lending an ear to the unbiased world opinion that if "nuclear inspection" is to be made on the DPRK, the U.S. nuclear weapons in South Korea must undergo the inspection simultaneously, are trying to evade the responsibility for removing the nuclear threat on the Korean peninsula with the argument that "inspection" of the "nuclear facilities" in the North and inspection of their nuclear weapons are separate issues.

Commenting on this, NODONG SINMUN today says: This is a petty trick of those driven into a tight corner to find a way out of it.

The news analyst continues:

Nuclear threat on the Korean peninsula comes not from the North which has no nuclear weapons but from the South where more than 1,000 pieces of U.S. nuclear weapons are deployed and nuclear war exercises against the North are staged almost every day.

The U.S. nuclear weapons in South Korea are the very source of the danger of nuclear war on the Korean peninsula and the most serious threat to the Korean people and Asian people.

Therefore, the U.S. nuclear weapons in South Korea must undergo inspection before anything else.

The U.S. authorities' talk about "separate issues" is a clumsy excuse of those in the hell of fix under the pressure of public opinion at home and abroad.

This shows that the United States intends to keep nuclear weapons in South Korea and intensive threat and blackmail against the DPRK and other Asian countries with them and, on the other hand, seeks a sinister purpose of isolating the DPRK with the fiction of "nuclear weapon development" by the DPRK.

"Inspection" of the so-called "nuclear facilities" of the DPRK and inspection of the U.S. nuclear weapons and "nuclear facilities" in South Korea are not separate issues.

If the United States truly wants to remove nuclear threat and preserve peace and security on the Korean peninsula, it must open of its own accord its idear weapons in South Korea to the public and undergo nuclear inspection, instead of demanding a unilateral "nuclear inspection" of the DPRK.

This would be a most fair deed which deserves welcome at home and abroad.

The United States must not make a fuss over the fictitious "nuclear problem" of the DPRK.

Commentary on U.S. Conditions for Improving Ties

SK2806040491 Pyongyang Korean Central Broadcasting Network in Korean 0020 GMT 27 Jun 91

[NODONG SINMUN 27 June commentary: "It Is Not the Attitude for Settlement of Problems"]

[Text] The United States is continuing to set barriers in improving the DPRK-U.S. relations. The remarks made by U.S. State Department spokesman Boucher some time ago also show such an aim. He made several demands on us, describing them as conditions for upgrading and improving the DPRK-U.S. relations. These demands include acceptance of nuclear inspection, constructive North-South dialogue, renunciation of terrorism, and cooperation in returning the remains of U.S. soldiers.

Boucher said that only when we act positively on the U.S. demands would the United States be equally positive. This is a high-handed attitude to force us to unilaterally accept the U.S. unjust demands and an expression of the position of strength.

What has caused the DPRK-U.S. relations to be extremely abnormal as today is the U.S. imperialists' policy of aggression and hostility against our Republic and the Korean people.

The United States not only illegally occupied South Korea by violently trampling underfoot the Korean people's national sovereignty but also provoked the aggressive Korean war and perpetrated various brutal acts. Even after signing the Armistice Agreement, the United States did not comply with it but persistently implemented the line of division and war while continuously remaining in South Korea.

The responsibility for failure in normalizing the DPRK-U.S. relations entirely rests on the United States. If the United States withdraws from South Korea even now and renounces its policy of aggression against our Republic, the DPRK-U.S. relations can enter the road of normalization.

However, the United States, refusing this, made so-called conditions for normalizing relations. This clearly shows the imperialists' endless ambition for aggression and the tyranny of the U.S. imperialists, who are only seeking their own interests by sacrificing other countries and other people.

The DPRK has no nuclear weapons, and has neither the will nor the ability to produce them. The DPRK is not opposed to nuclear inspection but is ready to sign the nuclear safeguard accord. It is not the DPRK but the United States, which has deployed more than 1,000 pieces of nuclear weapons in South Korea and created the danger of nuclear war, that must undergo nuclear inspection on the Korean peninsula.

The United States must open the nuclear bases in South Korea to the public, accept their inspection, withdraw nuclear weapons from South Korea, and commit itself not to attack us with nuclear weapons before urging us to accept nuclear inspection. Doing this is reasonable and accords with principle.

If the United States wants to improve relations with us, it should do first what must be done. The United States demands a so- called constructive North-South dialogue of us. But it is the United States and the South Korean authorities who brought the North-South high-level talks to a rupture by staging the Team Spirit joint military exercise, a test nuclear war against us, and created the danger of nuclear war. They are not in the position of demanding a constructive dialogue of someone else.

It is not the attitude for just solutions of problems to slander us by overturning what is right and what is wrong. As for the delivery of the remains of U.S. soldiers, we made every possible effort for this, but the United States laid hurdles in the way and delayed it. This is clearly known to the world. The U.S. demand that we renounce terrorism is an act of a thief yelling "stop thief!"

The organizer and commander of terrorist acts at home and abroad and the ringleader who is instigating barbarous fascist terrorist rule in South Korea is the United States. However, the United States talks about someone else's terrorism. Is this not indeed a ridiculous act?

The United States is attempting to spoil our international prestige by this crafty and despicable method, to divert elsewhere the attention of the world people from its criminal violations of human rights, and to gain something by putting unjust pressure on us.

The so-called conditions for the improvement of relations that the United States is going to enforce on us are an interference in our domestic affairs, are an infringement upon international laws, international practices, and rules on the relations between the states, and are a preposterous obstinacy which can convince no one.

The United States does not want the settlement of the Korean issue but lays obstacles in improving the DPRK-U.S. relations while pursuing an aggressive anti-DPRK, anti-socialist strategy. The so- called conditions are being used in this strategy. This is a criminal act against the Korean people.

For upgrading and improving the DPRK-U.S. relations, the United States should first act in conformity with ways to do this. One cannot settle the problem from the position of strength.

It is high time that the United States reexamines its Korean policy. The United States should renounce the ambition for aggression on Korea, should stop maneuvers against us for division and confrontation, and should discard the policy of nuclear menace. It should, above all, withdraw U.S. troops and nuclear weapons from South Korea. The United States should affirmatively respond to our peace proposals and initiatives for turning the Korean Armistice Agreement into a peace agreement, for adopting a nonaggression declaration between the North and the South, and for making the Korean peninsula a nuclear-free peace zone. This is the basic method for improving and normalizing the DPRK-U.S. relations.

Doubts About Stability of South's DLP Aired

SK2606051491 Pyongyang KCNA in English 0438 GMT 26 Jun 91

["Threat of Fascist Maniac"—KCNA headline]

[Text] Pyongyang June 26 (KCNA)—No Tae-u threatened at Chongwadae on June 24 that if anyone committed a sectarian act within the "Democratic Liberal Party", he would never tolerate it, according to a radio report from Seoul.

Not without reason did these words of threat roll off his tongue at a meeting attended by Kim Yong-sam.

In April No Tae-u summoned Kim Yong-sam to Chongwadae and "instructed" him to make particular efforts to prevent words and acts harmful to stability and unity within the "DLP".

No's threat following the "instructions" was prompted by Kim Yong-sam's tenacious efforts to consolidate the foothold of his faction within the "DLP", taking advantage of the "elections [for] large city and provincial councils", aiming at the seat of power in the next term.

But there can be no stability in the "Democratic Liberal Party," a conglomeration of men each of whom has his own ax to grind.

As the day of the expiration of No's "presidential" tenure is drawing near, the strife among the factions of the "Democratic Justice," "Reunification Democratic" and "New Democratic Republican" parties will grow fiercer and it will precipitate "DLP's" destruction.

South's Actions Near Demarcation Line Reported

SK2806052991 Pyongyang KCNA in English 0443 GMT 28 Jun 91

[Text] Pyongyang June 28 (KCNA)—The South Korean puppets on June 26 brought artillery carriages pulling 105 mm guns to Yulli-ri, Cholwon County, South Korean Kangwon Province, to take a battle position and then threatened us, firing more than 120 shells at a point near the Military Demarcation Line (MDL), according to military sources.

Earlier, on the 25th, groups of 105 mm guns deployed at Oksan-ri, Yonchon County, Tongpa-ri, Paju County, Simjok-ri, Rinje County, and Chongja-ri, Paju County, situated in the vicinity of the MDL fired scores of shells.

On the same day, groups of heavy tanks which were hurriedly moving towards the MDL alonq the Imjin riverside road from Tupo-ri, Paju County, were deployed around the road near Kumpa-ri, Paju County, and fired shells.

Heavily armed bandits took positions 800 metres from the MDL northeast of Hyon-ri, Rinje County, on June 26 and concentrically fired a volley of hundreds of 12.7 mm large-calibre machinegun bullets to get on our nerves.

Earlier, on June 25, formations of armed helicopters and transport helicopters of the puppet army staged an exercise for infiltration into in-depth areas and take-off and landing exercises, flying in the sky above Mt. Yawol situated North of Majon-ri, Yonchon County, just opposite from us.

A total of more than 560 planes were mobilized in the war exercises in the sky above South Korea on June 26 alone.

Tensions are increasing still further in the areas along the MDL due to the South Korean puppets' unceasing reckless war gambles.

NODONG SINMUN on South's Use of Army

SK2806064491 Pyongyang KCNA in English 0448 GMT 28 Jun 91

["Epileptic Fit of Those in Crisis"—KCNA headline]

[Text] Pyongyang June 28 (KCNA)—South Korean Puppet Defence Minister Yi Chong-ku in a "statement" on June 25 raved that the puppet army should be prepared to "immediately react to a critical situation" and play "a leading role" in "overcoming difficulties," saying "violent demonstrations" connected with the North's "strategy toward the South" "do not cease" in South Korea.

NODONG SINMUN in a commentary today brands this outburst of the puppet military boss as a mobilization order to the puppet army for putting it in the lead in cracking down on the people.

It is very ill-boding that a top-class underling of No Tae-u connected the South Korean people's struggle with the North, the news analyst says, and goes on:

Not content with the "security-oriented rule," a murderous rule under which it made the puppet police murder patriotic students with iron pipes in broad daylight and drove a large number of students and other strata of people to death, the No Tae-u group is now trying to hurl the puppet army into totally destroying the pro-reunification democratic forces. This is an unpardonable anti-democratic, anti-national crime.

The outburst of the puppet defence minister revealing the No group's scheme to mobilize the puppet army in crackdown on people, describing it as the "last bulwark" for the "regime," predicts that the No group would not hesitate to cause a second Kwangju bloodbath in an attempt to defuse the crisis.

For the puppets to connect the South Korean people's struggle with the North is nothing but a pretext to justify their crackdown on the pro-reunification democratic forces and launch into another repressive offensive.

Their scheme to hurl the puppet army again into suppression of the people is the last-ditch effort of the doomed mortals.

PRC Army, Radio Ministry Delegations Arrive

SK2606024991 Pyongyang KCNA in English 1031 GMT 25 Jun 91

[Text] Pyongyang June 25 (KCNA)—A friendship visiting group of the Chinese People's Liberation Army [C.P.L.A.] headed by Lieutenant General Shi Yuxiao, political commissar of the Nanjing Military Area of the C.P.L.A., and a delegation of the Ministry of Radio, Cinema and Television of China headed by its Vice-minister Tian Congming arrived here on June 24.

Choe Kwang Receives Chinese Army Delegation

SK2706062491 Pyongyang KCNA in English 0456 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—Choe Kwang, chief of the general staff of the Korean People's Army, met and had a friendly talk Wednesday with the friendship visiting group of the Chinese People's Liberation Army [CPLA] headed by Lieutenant General Shi Yuxiao, political commissar of the Nanjing military area of the CPLA, on a visit to the DPRK.

Present there were Lieut. Gen. Won Myong-kyun of the Korean People's Army and the Chinese ambassador and the military attache of his embassy here.

The head of the delegation noted that the courageous and industrious Korean people under the wise leadership of the great leader Comrade Kim Il-song have turned Pyongyang which was reduced to ruins by the U.S. imperialists in the past war into a grand and beautiful city today and achieved great successes in socialist construction.

He said he was deeply impressed, among other things, by Korean People's Army soldiers participating in socialist construction to successfully build many grand monumental edifices such as West Sea barrage.

Joint Venture Restaurant Opens in Moscow

SK2606031191 Pyongyang KCNA in English 2220 GMT 25 Jun 91

[Text] Moscow June 23 (KCNA)—The Korean-Soviet joint venture Okryu-Ojak Bridge Restaurant opened its door on June 21 in Gagarin District, Moscow.

Korean national dishes are served in this restaurant which is run jointly by the Public Catering Administration of the Pyongyang Municipal Administration and Economic Guidance Committee and the Public Catering Administration of the Executive Committee of the Gagarin, Moscow, District Soviet of People's Deputies and the "Eastern Glow" cooperative of Gagarin District.

An opening ceremony was held at the restaurant that day.

Speeches were made at the ceremony.

It was followed by a party.

Hydrometeorological Protocol Signed With USSR

SK2706052191 Pyongyang KCNA in English 0444 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—The 1991-1992 protocol on cooperation between the Hydro-Meteorological Service of the DPRK and the USSR State Committee for Hydrometeorology was signed in Pyongyang on June 26.

It was signed by director of the Hydro-Meteorological Service of the DPRK Yi Kon-il and Vice-Chairman of the USSR State Committee for Hydrometeorology Yu. I. Abramov.

Choe Kwang Receives Soviet Ensemble Members

SK2806153991 Pyongyang KCNA in English 1515 GMT 28 Jun 91

[Text] Pyongyang June 28 (KCNA)—Choe Kwang, chief of the General Staff of the Korean People's Army [KPA], today met and had a friendly talk with the leading members and major actors and actresses of the Twice Red Flag Song and Dance Ensemble of the Soviet Army named after A.V. Aleksandrov.

Present on the occasion were KPA General Chon Mun-sop and Soviet Ambassador to Korea Aleksandr Kapto.

Japanese, Ugandan Groups Arrive 25 Jun

SK2606055591 Pyongyang KCNA in English 0500 GMT 26 Jun 91

[Text] Pyongyang June 26 (KCNA)—A government economic delegation of the Republic of Uganda led by Minister of State of the Presidential Office Anthony Logulu Butele, a delegation of the Federation of Tourism and Air Freight Industrial Workers' Unions of Japan led by its chairman Hitoshi Takahashi and a delegation of the All-Japan Union of Seamen headed by Shoshiro Nakanishi, vice-chairman of the All-Japan Confederation of Trade Unions and chairman of the All-Japan Union of Seamen, arrived here Tuesday.

Also arriving that day was a delegation for celebrating the 5th anniversary of the opening of the Kim Man-yu Hospital headed by Kim Man-yu, advisor to the Central Standing Council of the Medical Association of Koreans in Japan and director of the Nishiarai Hospital.

Kim Il-song Greets Vietnam's Do Muoi

SK2806104991 Pyongyang KCNA in English 1035 GMT 28 Jun 91

["Comrade Kim il-song Greets His Vietnamese Counterpart"—KCNA headline]

[Text] Pyongyang June 28 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, today sent a message of greetings to Comrade Do Muoi on his election as general secretary of the Central Committee of the Communist Party of Vietnam.

Expressing the belief that the good relations of friendship and cooperation between the two parties would grow stronger and develop, Comrade Kim Il-song wished his Vietnamese counterpart great success in his responsible work to implement the decision of the Congress of the Communist Party of Vietnam.

Vice President Yi Chong-ok Meets Lao Delegates

SK2606151291 Pyongyang KCNA in English 1458 GMT 26 Jun 91

[Text] Pyongyang June 26 (KCNA)—Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, today met and had a friendly talk with the delegation of the External Relations Committee of the Lao People's Revolutionary Party [LPRP] led by Thongloun Sisoulit, member of the Central Committee of the LPRP and vice-chairman of the external relations committee of the LPRP.

The head of the delegation said the world people deeply respect and revere the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Noting that the friendly relations between the two parties and countries of Laos and Korea are strengthened, he added that there is no change in the policy of the LPRP toward the Workers' Party and people of Korea.

Functions of solidarity with the Korean people for national reuification are taking place in Laos, he said, and expressed the hope that these functions would contribute to promoting the reunification of Korea.

Diplomatic Relations Established With Belize

SK2706060991 Pyongyang KCNA in English 0445 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—A joint communique on the establishment of diplomatic relations and exchange of diplomatic representatives between the Governments of the DPRK and Belize was published in Belmopan on June 20.

The DPRK Government and the Belize Government agreed to establish diplomatic relations to develop the friendly and cooperative relations in all fields on the basis of sovereignty, equality, mutual benefit and non-interference in internal affairs between states and exchange ambassadors at a convenient time, said the joint communique.

It was signed by O Song-hwan, ambassador e.p. to Nicaragua, authorized by the DPRK Government and said S. Musa, minister of foreign affairs, economic development and education, authorized by the Belize Government.

KCNA Interviews Former Portugese President

SK2806060091 Pyongyang KCNA in English 0431 GMT 28 Jun 91

[Text] Pyongyang June 28 (KCNA)—Francisco da Costa Gomes, ex-president of the Republic of Portugal, in an interview with a KCNA corresponbent staying in Portugal to cover the 6th World Youth Soccer Championships on June 19 said "President Kim Il-song is the most excellent statesman in the world."

He said:

President Kim Il-song founded the chuche idea, a man-centred idea, and has successfully built socialism of Korean style by applying it.

I boundlessly respect President Kim Il-song because he has devoted his whole life to the people and prosperity of the country.

I respect him most.

There can hardly be seen in the world such an excellent statesman and outstanding military strategist as President Kim Il- song.

He is a brilliant commander who led the anti-Japanese war and the war against the United States and its satellite states to victory.

Korea will develop and prosper eternally as dear Comrade Kim Chong-il is successfully carrying forward the revolutionary cause of chuche of President Kim Il-song, he said.

Political Bureau Members at Labor Law Meeting

SK2606075191 Pyongyang Korean Central Broadcasting Network in Korean 1230 GMT 23 Jun 91

[Excerpts] A central report meeting to mark the 45th anniversary of the promulgation of the historic Labor Law enacted by the great leader Comrade Kim Il-song was held at the People's Cultural Hall on the afternoon of 23 June. [passage omitted]

Seated at the presidential rostrum were Comrade Yon Hyong-muk, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and premier of the Administration Council; Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Choe Yong-nim, Comrade Hong Song-nam, Comrade Kim Pok-sin, Comrade Kang Hui-won, alternate members of the Political Bureau of the WPK Central Committee and vice premiers of the Administration Council; Comrade Kim Chung-nin and Comrade Pak Nam-ki, secretaries of the WPK Central Committee; Comrade Kim Yun-hyok and Comrade Chang Chol, vice premiers of the Administration Council; Yang Hyong-sop, chairman of the Supreme People's Committee; Yi Chae-yun, minister of Labor Administration; Won Tong-ku, Choe Yong-hae, Pak Su-tong, Kang Chom-suk, appropriate functionaries, exemplary labor administration functionaries, those who effect exploits, and labor innovators. [passage omitted]

So Yun-sok Attends Graduation Ceremony 23 Jun

SK2606101491 Pyongyang Korean Central Broadcasting Network in Korean 0700 GMT 24 Jun 91

[Excerpts] [passage omitted] By highly upholding the immortal education ideology of the great leader and the chuche-type education method of the dear leader comrade, the commercial service functionaries of the Kaechon Department Store entered the regular correspondence course at Chong Chun-taek Economic University and studied steadily to prepare themselves to become national cadres who possess the knowledge of advanced science and economic management. Thus, on the same day and time all 58 students obtained a bachelors degree in economics and the honor of graduating from the university.

On the afternoon of 23 June, on-the-spot, the 26th graduation ceremony of the regular correspondence course at Chong Chun-taek Economic University, which was provided by the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, was held amid great happiness. [passage omitted]

Comrade So Yun-sok, member of the Political Bureau of the Central Committee of the Workers Party of Korea, responsible secretary of the party of South Pyongan Province, and chairman of the People's Committee of South Pyongan Province; Song Chae-song, first vice minister of the Higher Education Ministry; Han Sun-ok, vice minister of the Commerce Ministry; and other functionaries concerned were on hand with the employees of the Kaechon Department Store. [passage omitted]

Symposium Held To Mark Kim Il-song Work

SK2806064391 Pyongyang KCNA in English 0500 GMT 28 Jun 91

[Text] Pyongyang June 28 (KCNA)—A symposium was held in Pyongyang Thursday to mark the 40th anniversary of the publication of "On Some Questions Arising in Our Literature and Art," a classical work of the great leader President Kim Il-song.

In his talk with writers and artists on June 30, 1951, "On Some Questions Arising in Our Literature and Art", President Kim Il-song gave a scientific exposition of some aesthetical questions such as the question arising in truthfully reflecting lofty patriotism, principles and theories of depiction to be adhered to in creating a model of heroes, the principle of the realistic typification to be regarded as a guideline in the depiction of the class nature of the U.S. imperialist aggressors and their stooges, the question in correctly inheriting the national cultural heritages and the question of correlationship [as received] between creation and world outlook of writers.

The publication of the work helped our literature and art to make an active contribution to inspiring the people's army soldiers and people to feats for the victory in the war during the Fatherland Liberation War, speakers said.

Noting that the ideas and theories of literature and art clarified in the work were successfully defended, developed and enriched by our party, they said that the dear leader Comrade Kim Chong-il gave perfect answers to theoretical and practical questions in further developing in depth socialist literature and art in keeping with the requirement of developing revolution in which the modelling of whole society on the chuche idea is pushed ahead, and ushered in a great heyday of chuche literature and art with his wise guidance.

New Album Depicts Kim Chong-il Feats

SK2806101491 Pyongyang KCNA in English 0958 GMT 28 Jun 91

[Text] Pyongyang June 28 (KCNA)—The Working People's Organisations Publishing House of Korea recently brought out pictorial album "Great Edifices Produced by Loyal Subject and Filial Piety" (Vol.1).

Edited in the album are picture materials of more than 100 pieces showing some of the grand monumental edifices that will convey down through generations the great feats performed by the dear leader Comrade Kim Chong-il in the course of defending and glorifying the great revolutionary ideas and exploits of the respected leader Comrade Kim Il-song.

It prints pictures of President Kim Il-song seeing round the completed revolutionary martyrs' cemetery on Mt. Taesong, the international friendship exhibition, etc. and pictures of his bronze statues erected on historical sites.

The album gives a panoramic and night view of grand monumental edifices praising the chuche idea and the glorious revolutionary traditions such as the grand monument on Mansu Hill, the Tower of the Chuche Idea, the Arch of Triumph and the grand monumemt on Mt. Wangjae, together with explanatory notes.

Pictures of visitors at home and from abroad are also edited in it.

Iron, Steel Complex Reports Production Upsurge

SK2506010991 Pyongyang KCNA in English 1516 GMT 24 Jun 91

[Text] Pyongyang June 24 (KCNA)—A big production upsurge has been reported from the Kim Chaek Iron and Steel Complex, one of the leading iron and steel production bases of Korea.

Output in the recent two months at the complex jumped 9.3 percent in pig iron, 10.7 percent in steel and 37.5 percent in rolled steel, and cold-rolled steel sheet output has more than doubled.

Finding reserves for production growth in technical innovation, the complex has introduced more than 530 valuable technical innovation proposals into production during the recent three odd months.

The rolling workers and technicians markedly increased the output of rolled steel by building a new process of heat treatment and keeping the heating ovens and rolling machines at full capacity operation.

Producers of cold-rolled steel sheet boosted output 20 percent in the second quarter of the year up on the previous quarter.

Achievements in Railway Transport Viewed

SK2706104091 Pyongyang KCNA in English 1027 GMT 27 Jun 91

[Text] Pyongyang June 27 (KCNA)—Korean transport workers are registering greater achievements in transport.

The daily railway transport turnover in June is 20,000 tons more than the daily average of the previous month.

The General Bureaux of Western and Eastern Railways carried 120,000 more tons of freight in the recent one week than in the corresponding period last month by increasing the operation rates of locomotives and waggons and drastically cutting the loading and unloading time at stations along the lines.

The truck drivers of the general land transport bureau in the first 15 days of this month carried 18,000 more tons of freight than in the same period last year.

The transport management bureaux of North Pyongan and North Hamgyong Provinces are these days topping the daily assignments by 1,000 to 1,200 tons by increasing the operation rate of trucks 0.5 percent.

Achievements have also been reported from sea transport.

In the last five months, the workers of the West Sea shipping station transported 30,000 more tons of goods than in the same period last year.

KCNA Reviews 28 Jun Pyongyang Press

SK2806064891 Pyongyang KCNA in English 0504 GMT 28 Jun 91

[Press review]

[Text] Pyongyang June 28 (KCNA)—NODONG SINMUN today carries a letter to the great leader President Kim Il-song sent by the participants in a Peruvian national seminar on the independent and peaceful reunification of Korea.

Papers give an account of a symposium held to mark the 40th anniversary of the publication of "On Some Questions Arising in Our Literature and Art," a classical work of President Kim Il-song.

Printed in MINJU CHOSON is an article on the wise guidance of President Kim Il-song who has strengthened and developed the People's Army into one-beats-a-hundred revolutionary armed forces.

Given in the press is an account of a film show arranged by the Chita Regional Committee of the Communist Party of Russia on the occasion of the third anniversary of President Kim Il-song's visit to Chita, the Soviet Union.

A Chinese paper reported that a special prize and a gold medal were awarded to Kimjongilia at the 12th international flower show, says NODONG SINMUN.

The daily tells the story that Comrade Kim Chong-suk, an indomitable communist revolutionary fighter, defended the headquarters of the revolution in the period of the anti-Japanese armed struggle.

It comes out with an article titled "Our Socialism Is Superior One Which Most Thoroughly Defends the Desire of Popular Masses for Independence".

According to the press, the "International Solidarity March for Supporting Korea's Reunification" is widely being held in different countries.

Econews of the press includes reports that the first half year assignments were carried out at the General Bureau of Sea Transport, the Unnyul mine and the May 24 export fishery station and that the dam project of the Namgang power station is making progress briskly.

Given in the press are accounts of mass rallies and demonstrations held in provincial seats on the occasion of the "June 25, Day of Struggle Against U.S. Imperialism".

It is reported in the press that the Guinean president met with the DPRK ambassador to his country, the general secretary of the Socialist Unity Party of New Zealand met with the DPRK ambassador to Indonesia, the DPRK ambassador to Madagascar paid a farewell call on the Malagasy prime minister, and that a protocol on cooperation between the Hydro-meteorological Service of the DPRK and the USSR State Committee for Hydrometeorology was signed in Pyongyang.

The press informs the readers of the premiere given in Pyongyang by the Twice Red Flag Song and Dance Ensemble of the Soviet Army.

Carried in the press is an account of a Pyonyang mass meeting held to welcome Kim Hui-won, former chairman of the Kangwon Provincial District Committee of the "Reunification Democratic Party" and central permanent member of the "Democratic Liberal Party of South Korea, who settled down in the northern half of the country.

The South Korean authorities ceaselessly committed gunfiring in areas near the Military Demarcation Line, says NODONG SINMUN.

Echoed in the press are voices at home and abroad demanding the immediate withdrawal of the nuclear weapons of the U.S. imperialists from South Korea.

In a commentary NODONG SINMUN hits out at the South Korean authorities for scheming to mobilize even the puppet army in suppression of the people.

South Korean news columns of the press include a report that a student promotion committee for the independent reunification was inaugurated in Seoul.

NODONG SINMUN runs a commentary denouncing the U.S. imperialists for trying to evade their responsibility for the removal of nuclear threat on the Korean peninsula.

The paper reports that the Uruguayan committee for supporting the peaceful reunification of Korea was formed.

Included in the international news of the press are reports that the 70th anniversary of the founding of the Communist Party is being celebrated in China, a meeting of the supreme national council of Cambodia was held in Thailand, the Namibian president outlined his country's home and foreign policies, a member of the Political Bureau of the Central Committee of the Communist Party of Cuba declared that the Communist Party of Cuba will make every effort to harden confidence in the revolution.

NODONG SINMUN introduces Belize.

South Korea

Students Firebomb, Enter U.S. Cultural Center

SK2706232491 Seoul KBS-1 Radio Network in Korean 2200 GMT 27 Jun 91

[Text] Approximately 500 university students held a surprise demonstration at dawn this morning [28 June] in front of the American Cultural Center in Kwangju. At 0440, approximately 500 university students crowded into the American Cultural Center located at Yangnimdong in Kwangju and held a surprise demonstration by throwing fire bombs at the center.

Some of the household furniture of the American Cultral Center and of Kwangju Municipal Women's Hall, located in the same building, was damaged in today's demonstration. The guard post at the American Cultural Center and one police motorcycle were burned.

In today's demonstration, five university students went up to the second floor of the building in order to occupy the American Cultural Center, but all of them were arrested by the police. Three riot policemen were hurt.

Police Tighten Security

SK2806053691 Seoul YONHAP in English 0509 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—Police tightened security around ruling party and U.S. Government buildings Friday to prevent attacks by the radical National Council of Student Representatives (Chondaehyop) in protest against President No Tae-u's visit to the United States next week.

Police said Chondaehyop had organized squads of students to make firebomb attacks on the U.S. Embassy, U.S. Cultural Centers or other U.S. buildings and to burn American flags, banners and placards in the streets to mark the state visit.

Rallies were scheduled between June 27 and July 1 to protest No's "humilitating and betraying" visit and to launch a labor struggle during the summer holidays, police said.

Police also warned of demonstrations in 10 major cities on the weekend, spearheaded by the joint counter-measure committee, a grouping of 53 dissident bodies, to denounce the "bankrupt" promises of No's June 29, 1987, declaration of democratic reforms.

The committee announced Friday morning it would hold six rallies Saturday in five major cities.

No To Seek U.S. 'Support' for Peace Efforts

SK2806083791 Seoul YONHAP in English 0753 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—President No Tae-u said Friday he would seek U.S. support for South Korea's efforts to restore peace on the Korean Peninsula and realize peaceful unification of the nations while in the United States next week.

Meeting National Assembly Speaker Pak Chun-kyu, Chief Justice Kim Tok-chu, Prime Minister Chong Won-sik and ruling party leaders Kim Yong-sam, Kim Chong-pil and Pak Tae-chun on the eve of his departure, No said Seoul and Washington felt a growing need to consolidate their friendly relations with the advent of a new international order after the Gulf war, the collapse of the cold war and the changing political climate in Northeast Asia.

The changing international and regional political situations would be an overriding theme of his talks with U.S. President George Bush on Tuesday, he said. The summit's theme is "re-establishing future-oriented" friendly and cooperative bilateral ties on the threshold of the 21st Century.

His visit to Canada was hoped to accelerate the already expanding bilateral relations, No said.

"Our two countries are maintaining close economic ties as the fifth and sixth greatest trading partners to each other. We now stand at a time when we should build even broader and closer cooperation as partners for the 21st Century Pacific era," the chief executive said.

North To Allow Investment Through 3d Countries

SK2806020991 Seoul THE KOREA TIMES in English 28 Jun 91 p 8

[Text] North Korea is willing to allow investment of South Korean capital in the North through third countries, according to the Trade-Industry Ministry.

The North Korean move is expected to expand inter-Korean joint venture projects in the days to come.

A high ranking official at the ministry said Wednesday that North Korea has indicated that it would permit the inflow of South Korean capital through third countries.

Attending an export-monitoring conference hosted by the Korea Foreign Trade Association, he said that joint venture projects between the South and the North will soon bloom.

He said that in the midst of increasing inter-Korean merchandise trade, the two sides are expanding their contacts in third countries to carry out joint venture projects.

He maintained that merchandise trade between the South and the North will be further escalated because of the expansion of detente between the West and the East, the improvement of relations between Korea and the Soviet Union and North Korea's pursuit of external economic cooperation.

As for major southern products which will be shipped to the North, he pinpointed machinery, daily necessities, footwear, cold coil, refrigerators, garments, radios and color TVs.

He said that the South can import scrap iron, hot coil, cement, gold nuggets, zinc ingots, agricultural and fisheries products, and herbal medicines from the North.

Dissidents Apply To Meet With Northerners

SK2706065691 Seoul YONHAP in English 0517 GMT 27 Jun 91

[Text] Seoul, June 27 (OANA-YONHAP)—Four officials of a South Korean dissident organization submitted an application Thursday to the National Unification Board for permission to contact North Koreans to discuss holding a pan-national rally in August.

The preparation committee for the formation of the southern headquarters of the pan-national congress is looked upon as pro-Pyongyang by the Seoul government.

The group says it wants to promote unification by forming a congress together with North Koreans and Koreans living abroad.

If permission is given, acting Committee Chairman Kang hui-nam and three others will meet with officials from the overseas and northern headquarters of the congress in Berlin to discuss holding a pan-national rally in Seoul from Aug. 12 to Aug. 17.

The South Korean Government is to decide whether to give them the go-ahead in a meeting of the South-North Exchange Promotion Committee, but it has already decided to disapprove the contact.

Plans for N-S Foreign Ministers' Talks Viewed

SK2706113891 Seoul HANGYORE SINMUN in Korean 27 Jun 91 p 2

[Text] The government plans to hold North-South Korean foreign ministers talks at about the same time as the opening of the UN General Assembly which is slated for 17 September. At this time, the government plans to hold discussions on methods for cooperation within the United Nations between North and South Korea after they join the United Nations.

The purpose of this is to open a new breakthrough in North-South Korean talks because the North-South high-level talks which were held on three occasions from last year up to now, are currently in a stalemate.

A government source on 26 June revealed that the government proposed to the North Korean Permanent Observer Mission, United Nations, to hold North-South Korean contacts for discussions on the procedures for entering the United Nations. This proposal was made on and after 27 May on two occasions which was right before North Korea declared on 28 May that it will enter the United Nations unilaterally. However, up until now there has been no response from North Korea.

Judging that North Korea has not responded to our proposal not because it is opposed to this proposal but because it is mapping out countermeasures, the government is promoting the holding of North-South Korean foreign ministers' talks right after the opening of the UN General Assembly.

Right after the ROK submits its application to join the United Nations in early August, the government plans to make known its intention of holding talks between Foreign Minister Yi Sang-ok and North Korean counterpart Kim Yong-nam, and hold discussions on the concrete schedule and agendas.

The government also plans to discuss at North-South Korean foreign ministers' talks the issue of facilitating North-South Korean policy-oriented cooperation in various council and committee meetings of the General Assembly and the Security Council, in order for North and South Korea to refrain from carrying out confrontational diplomacy in the United Nations, slandering each other, or causing mutual distrust in the international community when they join the United Nations.

YONHAP: Pyongyang Welcomes Soccer Team

SK2806134591 Seoul YONHAP in English 1303 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—An enthusiastic welcome greeted 33 South Korean members of the unified Korean delegation to the sixth world youth soccer championships in Portugal when they arrived in Pyongyang Friday, South Korean Sports and Youth Ministry officials said Friday.

The South Koreans, along with 29 North Korean colleagues, arrived at Pyongyang's Sunan Airport one hour and forty minutes later than scheduled on a chartered plane of the North Korean Civil Aviation Company.

The welcoming crowd of over 1,000 people included Choe Yong-hae, president of the North Korean Football Association, and Pak Myong- chol, vice chairman of the North's State Physical Culture and Sports Guidance Committee, the officials said.

The Korean team lost to Brazil 5-1 in the quarterfinals last Sunday. It was the second time that South and North Korea fielded a single Korean team to an international sports event. In April a unified Korean team competed in the world table tennis championship in Japan for the first time since the national division in 1945.

Ceremonies disbanding the delegation was held at the central youth hall in Pyongyang later in the day, the officials said.

The 33 South Koreans including two cooks will return to Seoul Saturday morning through the truce village of Panmunjom in the Demilitarized Zone dividing Korea into the capitalist South and communist North. A welcoming ceremony is planned at a Seoul hotel, the officials said.

Former Envoy in Pyongyang Views North Economy

SK2806090691 Seoul YONHAP in English 0822 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—North Korean industrial output has been flat since 1986 and a recovery is hampered by poor roads, a backward parts industry and low-quality labor, a former diplomat at the East German Embassy in Pyongyang said Friday.

North Korea is given 1 million tons of oil a year by Iran in return for weapons and sells most of it, Siegfried Scheibe told a seminar sponsored by the Research Institute for National Unification. Scheibe was in North Korea between 1987 and 1990 and now works for the Korean-German Chamber of Commerce and Industry as a technical advisor.

Following are excerpts from his lecture:

"The overall North Korean industrial output has slowed since 1986, with its growth slowing from some 8 percent in the 1970s to 3-4 percent in the 1980s.

The economic pinch is further aggravated by the government's inefficient economic policy, particularly as to investment. The economic balance was hurt by exhibitionism and extravagant investments in unproductive sectors. The current North Korean economy is not in a position to support such large-scale projects as power plants.

On the whole, the North Korean economy is not prepared for rapid expansion because of poor road networks, infantile parts industry, bad transportation, growing electricity shortage and low labor quality.

External trade is one of the most fragile sectors in the reproduction process of the economy. It has been of no visible help in expanding its gross national product. External economic relations are a growing burden. The nation's debts are estimated at 4.5 or 5 billion U.S. dollars. North Korea was reduced to re-exporting most of 1 million tons of oil provided by Iran in return for its supply of military skill and weaponry.

The standard of living has worsened for the past 15 years. Common citizens are unable to buy anything, except for rations, in the market even at a high price.

North Koreans are unable to buy newspapers, which are delivered only to chosen people or institutions. Threats of punishment keep people from reading or listening to or watching foreign mass media.

Specialized publications are also inaccessible. Even in hotel lobbies foreign newspapers are not served. The society is so separated from the outside world that only selected citizens are entitled to talk with foreigners.

North Korean leaders are going ahead with the present socialist system because any deviation would admit the failure of its chuche (self-reliance) idea.

Party leaders are hiding from people the truth of sweeping changes in Eastern Europe, so only a few party members are well aware of the cause and development of the change.

There will be no true reforms led by present leaders. It is also impossible to expect reforms by people having no conspicuous opposition figures or groups.

Envoy in Geneva Urges North To Sign Accord

SK2806022091 Seoul YONHAP in English 0151 GMT 28 Jun 91

[Text] Paris, June 27 (YONHAP)—Pak Su-kil, South Korea's ambassador to Geneva, said Thursday that North Korea was obliged to sign the nuclear safeguards accord of the International Atomic Energy Agency without any conditions since it was a signatory to the nuclear non-proliferation treaty.

Pak, speaking at a U.N. conference on disarmament, said he welcomed North Korea's decision to join the United Nations alongside South Korea this fall and called for the resumption of high-level talks between the two Koreas at an early date.

The high-level talks between the prime ministers of the two sides have not been held since last December. North Korea cancelled the fourth round, slated to be held in Pyongyang in February.

In order for South-North Korean dialogue on arms control and reduction to bear fruit, he said, mutual opening and exchange and cooperation should be started to build mutual confidence.

Pak said he hoped recent exchanges in arts and sports would be expanded to other areas.

Arms control, including the peaceful use of the demilitarized zone, opening military hot lines and prior notice of military drills were the common wishes of both Koreas, he said.

In particular, building a peace city in the DMZ [Demilitarized Zone] as proposed by South Korean President No

Tae-u to the U.N. General Assembly in January 1988 would be a significant means of building mutual trust, he said.

He expressed Korean support for international efforts to eradicate weapons of mass destruction and said Korea would positively participate in the third review conference of the biological weapons convention in Geneva in September.

Thirty-nine member countries, including the United States and the Soviet Union, and 36 non-members, including South and North Korea, are participating in the seven-week disarmament conference that opened in Paris on May 14.

No Tae-u Urges World Free of Nuclear Weapons

SK2706084691 Seoul YONHAP in English 0828 GMT 27 Jun 91

[Text] Seoul, June 27 (YONHAP)—South Korean President No Tae-u, calling for a world without nuclear arsenals, said Thursday it was "meaningless" to make the Korean peninsula a nuclear-free zone if atomic weapons remained in the Soviet Union and China.

"What is the meaning of creating a nuclear-free zone in Korea while leaving nuclear weapons in China and the Soviet Union, from where Korea is well within effective range," he said.

"A genuine nuclear-free zone should cover the entire world and the countries that already possess nuclear weapons should adopt a position on this matter," he said. No expressed the same view in a recent interview with THE LOS ANGELES TIMES.

No said that the next two or three years were crucial for the unification of Korea and his trip to Canada and the United States in July was related to this. He will visit the United States July 1-3 and Canada July 3-5.

International inspection of North Korea's nuclear facilities is expected to be on the agenda with U.S. President George Bush.

It was important to remove the danger of North Korea making nuclear weapons, as commonly acknowledged by the United States, the Soviet Union and China, No said.

On domestic politics, he reiterated that the ruling party would nominate a presidential candidate democratically and in accordance with the party charter about one year before his term in office ended.

Asked whether the nomination would take place before or after the next general elections, No said it would be around one year before his five-year term ends in February 1993. The elections are expected in late 1991 or early 1992.

The president said a Westminster-like parliamentary government could not be adopted if the people did not want it, though he still believed it was the best system.

The perennial issue resurfaced after No's party scored a landslide victory in the local elections last week.

Quarantine of PRC Farm Products To Intensify

SK2706081191 Seoul THE KOREA ECONOMIC JOURNAL in English 24 Jun 91 p 4

[Text] The government has decided to intensify its quarantine of Chinese-origin agricultural products, with the sharply increasing trade with China. The intensification of quarantine is designed to block any importation of agricultural products from blight and harmful insect affected areas in China. Some of such agricultural produce was found to have been imported by using a false country of origin as Japan.

The Office of Forestry and the National Plant Quarantine Office said that the Chinese farm products are cheap compared with domestic agricultural products. Taking seriously their illegal imports, the government has decided to rigidly regulate their importation.

The National Plant Quarantine Office will intensively check any imports made through false means and refer the matters to the judicial authorities.

Two trading firms, including Rosa Corporation, which attempted to import Chinese walnuts by falsely labeling the country of origin as Japan, were sued by the authorities. Three other trading firms are now under investigation on similar charges.

Company Plans Stone Quarry Operation in PRC

SK2706082391 Seoul THE KOREA ECONOMIC JOURNAL in English 24 Jun 91 p 2

[Text] Hanil Stone Ind. is actively pursuing a plan to develop a stone-producing mountain in the Guangxi Province, China, and build a stone-processing plant nearby.

To promote the plan, Hanil plans to establish a locally incorporated firm in the province, named Guangxi-Hanil Development Corp., with an investment of $4 million.

The mountain which Hanil will develop measures 700,000 pyong (roughly 2.31 million square meters). Some 5,000 cubic meters of raw stone will be quarried from the mountain in 1993, and the output will increase to 10,000 cubic meters from 1994 annually.

Hanil also plans to dedicate a stone-processing plant in China by the end of next year. The plant will produce 70,000 square meters of stone slab products used for construction materials a year from 1993.

Raw stone to be quarried in China will be supplied to Hanil's stone-processing plants in Korea and China, and stone slab products will be sold on the Chinese and Korean markets.

Meanwhile, China is reportedly facing difficulties developing stone-processing mountains due to a lack of technology and facilities.

* USSR, Korean, Japanese Relations Discussed

912C0214 Seoul HANGUK ILBO in Korean 20 Apr 91 p 5

[Article by columnist Kim Chang-yol: "Japan and USSR, South Korea and USSR, Japan and North Korea Connections"]

[Text] The Japanese people seem to have had a hard time scheduling Soviet President Gorbachev's recent visit. This is because during the last minute negotiations on his itinerary his visit to Korea was announced, and Nagasaki was added to his itinerary. His itinerary was also altered repeatedly even after his travel began. Thus, the Korean-Soviet summit meeting had to be limited to one night. Even so, we were troubled by his uncertain schedule in visiting Cheju.

Some Koreans thought this was due to Japanese interference; but the explanation from Japan is somewhat different. According to that explanation, it was the USSR that demanded inclusion of Nagasaki in Gorbachev's itinerary and this was a reflection of the domestic situation in the Soviet Union. The following is the summary of this explanation.

At the end of the war in 1945, the USSR sent 575,000 people, including Japanese POW's and at least some 10,000 Koreans, to labor camps in Siberia. Of these, 50,000 people died. Gorbachev, who wants yen badly, had to soften hard feelings, and this was also Japan's wish. Thus, Gorbachev went out of his way to pay homage to the Japanese cemetery in Khabarovsk. However, the Soviet conservative hardliners as well as the Soviet soldiers who fought in the war are displeased by such a movement. As far as they are concerned, the idea of exchanging the four northern islands for "money" is simply unacceptable. It is said that Gorbachev's visit to Nagasaki to pay homage to the Soviet cemetery was intended to neutralize their displeasure.

We do not know whether Japan had any influence on this. But the fact that the aforementioned explanation sounds rather reasonable gives us a glimpse of Gorbachev's weakened position within the USSR. This is evidenced by the result of a public-opinion poll (published in Japan's 17 March YOMIURI SHIMBUN) which showed a dramatic change in the number of the Soviets who support Gorbachev, which fell from 57 percent in May last year to 27 percent in January this year. This is in contrast to a public opinion poll in Korea (published in the 18 April CHOSON ILBO) which showed that he is liked by 67 percent of the Korean population.

Thus, the outcome of the Japan-USSR negotiation is something that had been expected. This is because Gorbachev does not have much room in which he can use his unique expertise in the diplomacy of decisiveness and new ideas. What was particularly visible in the negotiation process that proceeded with difficulty is that Japan, which lacks superb diplomats, practically led the negotiation and the yen played a powerful role against the USSR. For Japan, after 30 years of negotiation, it was a success in terms of having the USSR make a committal statement that the USSR will someday return the four northern islands to Japan and in terms of realizing the inseparable relationship between politics and economy.

Hence, the joint Japanese-Soviet statement's article that concerns the Korean peninsula can be interpreted in a different way. The article calls for South-North Korean talks, normalization of the relationship between Japan and North Korea, and inspection of nuclear facilities in North Korea. The article falls short of including the issue of South-North Korean membership in the United Nations, but it is something we could embrace. However, how could we make this article effective? Where could we find a lever that will move North Korea in the way stated in the article? These are the kinds of questions we could also ask when reading the joint Japanese-Soviet statement.

In this case, many people understand that the USSR has limited influence on North Korea. This was well summarized in an editorial in the influential French paper, LE MONDE, which asked the following question at the time of Korean-USSR summit conference in San Francisco last June: Does President Gorbachev possess the will and methods to lead Kim Il-song to perestroyka? So far, it seems we have obtained half of the answer to that question.

After all, the remainder is Japan. In short, an effective lever that can be used to move North Korea is in the hands of Japan. The application of the lever depends on how far Japan will go to preserve the principles in negotiating Japanese-North Korean normalization. Depending on the outcome, the North Korean doors could open fast or a peaceful settlement in the Korean peninsula could come earlier. In view of this, it seems appropriate to look at the joint Japanese-Soviet statement as a fulcrum for the lever called Japan. It is the development of this fulcrum, of the Japanese-North Korean relation, that we should watch more carefully since the meetings were held between Japan and the USSR and between Korea and the USSR.

Most of all, we are interested in the principle of the inseparable relationship between politics and economy, which was demonstrated by Japan in its negotiation with the USSR. If this principle could be also applied to North Korea in the same manner, the issue of inspecting the nuclear facilities in North Korea would not be a simple "matter of importance," but should be a necessary precondition. So should abandonment of its policy to communize South Korea. We cannot think of economic cooperation prior to signing a treaty of amity.

Moreover, it is appropriate to limit the economic cooperation fund to the livelihood of the people and connect it with democratization, including the human rights issue, in North Korea and with introduction of the market economy. This is appropriate not only in terms of the basic purpose of economic cooperation but also in view of efficiency. So, to avoid the Japanese-style double standards and double diplomacy, we, too, must demand what must be done and must prepare ourselves to share North Korean information with Japan and jointly participate in economic negotiation with North Korea.

On 10 April, prior to Gorbachev's visit to Japan, Japanese Prime Minister Kaifu announced plans to reexamine the Official Development Assistance (ODA) policy. Through answers in the Diet, he presented the direction of the reexamination, in which Japan's decision on economic aid is aimed at contributing to world peace and, in principle, will take the following items into account: the recipient country's military expense; development of nuclear, biological and chemical weapons and missiles; trend in export and import of weapons; and progress in democratization. We do not know what kind of form the new principle will take; but since Japan has voiced such a conviction, we think it ought to apply the principle to North Korea first in negotiating economic assistance. We must watch very carefully what kind of shape the principle will take—the principle mentioned by the Japanese Government.

Project Cancellation From U.S. Pressure Viewed

SK2706042791 Seoul THE KOREA ECONOMIC JOURNAL in English 24 Jun 91 p 29

[Text] The multi-billion-dollar optics fiber trans-Siberian line (TSL) project is most likely to be abandoned, largely because of strong opposition by the U.S. administration, the Trade-Industry Ministry and industry sources said.

The U.S. administration reportedly opposed the optics fiber TSL projects, arguing that the U.S. government has no intention to allow the project for strategical reasons because optics fiber cable would be invulnerable to bugging, the sources said.

At the same time, the U.S. administration has sent unofficial letters to signatory firms of the TSL consortium calling for restraints of optics fiber cable exports to the Soviet Union on a self-regulatory basis.

U.S. West, U.S.-side promoter of the TSL project, reportedly was asked by the U.S. government to replace optics fiber cable with copper wire in the TSL project, the sources said.

A $10 billion TSL project linking Copenhagen, Ivankhord, Moscow, Siberia, Nakhodka, Pusan and Japan was first promoted by the USSR in April 1988, and a joint-venture firm, named L.G.C. [expansion unknown], was incorporated by U.S. West and a Soviet partner, the sources said.

Last December Samsung Electronics of Korea won a $5.4 million order from L.G.C. for the construction of a 1,262-km first section for the huge project.

The U.S. government reportedly is moving to insert an export ban clause in the newly revised COCOM [Coordinating Committee for Exports to Communist Countries] rules to be effective from Sept. 1 this year.

Such U.S. moves reportedly are drawing complaints from other member firms of the consortium, including BTI [expansion unknown] of Britain and DBT [expansion unknown] of Germany, as well as from U.S. West, the sources added.

USSR Purchases Shipping Containers With Fund

SK2706082091 Seoul THE KOREA ECONOMIC JOURNAL in English 24 Jun 91 p 9

[Text] The Soviet Union has decided to purchase $15 million worth of Korean-made containers under the Korea-USSR economic cooperation fund.

According to industry sources, of $800 million allocated to the Soviet Union from the Korea-USSR economic cooperation fund for this year, the Soviet government has decided to spend $15 million for purchasing containers from Korea. With the amount, the Soviet Union will be able to purchase 5,000-6,000 units of general-purpose 20-foot containers.

The Soviet Union is likely to try to sign purchasing contracts with Korean makers by the end of this month.

Korean container makers, including Hyundai Precision & Ind. Co. and Jindo Corp., reportedly are capable of supplying the 5,000-6,000 containers to the Soviet Union immediately because they have sufficient inventories.

Korea's exports to the Soviet Union, which had risen rapidly until last year, thanks to the Soviet Union's open-door policy, declined sharply this year due to a shortage of containers.

During the first four months of the year, Korea exported 1,739 TEUs [twenty-foot equivalent units] of goods to the Soviet Union, off 57.6 percent from the 4,105 TEUs registered during the corresponding period last year.

At the working-level talks between Korea and the Soviet Union held in Seoul in mid-May, the Korean government urged the Soviets to purchase Korean-made containers, pointing out that at least 10,000 containers will be additionally needed, beginning in the second half, when Korea begins exporting consumer goods to the Soviet Union with tied loans under the Korea-USSR economic cooperation fund.

Arbitration Agreement Signed With Bulgaria

SK2706113591 Seoul KBS-1 Television Network in Korean 1200 GMT 22 Jun 91

[By reporter Hong Ki-sop]

[Text] On 22 June, the Korean Commercial Arbitration Board announced that the commercial arbitration agreement between the ROK and Bulgaria was concluded, the third East European country to do so. On 20 June, the ROK had concluded a commercial agreement with Romania.

After concluding the commercial arbitration agreement with Hungary last year and with Romania and Bulgaria this year, a safety valve to take prompt and fair measures against trade disputes with these countries has been provided.

[Begin Han Pong-su, director of the Korean Commercial Arbitration Board, recording in Korean] If there is some kind of dispute between the trading parties concerned, a prompt and fair arbitration can be carried out through this frame. Therefore, disputes can be settled easily and this will ultimately activate trade dealings. [end recording]

This commercial arbitration agreement will especially be a stimulus in the promotion of concluding trade agreements with northern countries such as the Soviet Union and China. Furthermore it is expected that this will greatly activate trade with northern countries.

Recently during the past few years, our country's trade with northern countries has been showing rapid progress. The trade volume for four months during this year was $1.85 billion which is an increase of 52 percent compared with the same period of last year. Furthermore, increase in trade with East European countries such as Poland and Romania is also showing remarkable progress.

Expanding Trade, Ventures With Burma Detailed

SK2706044591 Seoul THE KOREA ECONOMIC JOURNAL in English 24 Jun 91 p 10

[Text] Korean enterprises' advances into Myanmar [Burma] are expanding.

According to the Korea Trade Promotion Corp. (KOTRA) and industry sources, Daewoo Corp. will complete a joint-venture sewing factory in Yangon [Rangoon], the capital of Myanmar, in July at a total cost of $700,000. Operation of the factory will begin in August.

At present, Daewoo operates a plywood plant and a composite electric home appliances plant in Myanmar. The company reportedly invested $10 million in each of the two plants.

In addition, Korea Trading Int'l Inc. has recently signed a $800,000 barter trade contract with the Myanmar Agricultural Corp. to export Korean-made power tillers to Myanmar in exchange for importing rubber from that country. Shipments will be made in the second half of the year.

Myanmar is upbeat about the barter trade with Korea, and reportedly has suggested, via the Yangon trade representative office of KOTRA, that Myanmar export primary products, including soybeans, green peas, peanuts and teak, to Korea and import farming machines, fertilizers and insecticides from Korea.

Prosecution Changes Stance in Suicide Note Case

SK2706073491 Seoul YONHAP in English 0701 GMT 27 Jun 91

[Text] Seoul, June 27 (YONHAP)—The prosecution Thursday clamped the lid on its investigation of Kang Ki-hoon, the dissident charged with writing the suicide note left by a colleague, saying that for the security of informants it would no longer make information available to the press.

"The decision was made as our informants are either revoking what they told the prosecution or appealing for protection as their statements are being printed in the papers," said Kang Sin-wuk, senior prosecutor in charge of the case.

The move may invite an outcry by dissident groups and Kang's defenders, who have been urging the prosecution to conduct an "open and fair investigation."

Kang, a section chief of the National Alliance of Democratic Movements, has not changed his stance, denying the charges and answering only a few questions, Kang said.

Kang is charged with writing the suicide note for Kim Ki-sol. Kim jumped off a building in a ball of flame on May 8 to protest the police killing of a student demonstrator.

Since no progress was made in the investigation for three days, the prosecution extended Kang's arrest warrant until July 13, when it plans to indict him for abetting suicide and announce the results of its investigation.

A spokesman said the prosecution was investigating whether the dissident group replaced a note provided by students of Sung-ui Woman's College as a sample of Kim's handwriting.

"An investigation of three Sung-ui students showed that the group had the note for a day before the student council released it to the public," the spokesman said.

"The students said the group asked them not to let the prosecution know this," he said.

Kang admitted Wednesday that he met with several people having links to both Kim and Kang just after the prosecution started investigating Kim's death early last month, he said.

Among them are Miss Hong, Kim's girlfriend, Yi Yong-mi, junior to Kang at Tanguk University, and Kim Chin-su, a graduate of the university.

The prosecution summoned Im Chol-su, one of Kang's university friends, for questioning about Kang's whereabouts after Kim's death but learned nothing particular. Im's house was searched and items were confiscated.

Agency Says Two Students Headed for Pyongyang

SK2706125191 Seoul YONHAP in English 1238 GMT 27 Jun 91

[Text] Seoul, June 27 (YONHAP)—Two South Korean collegians left Seoul Monday for a clandestine visit to Pyongyang and are currently staying in Berlin, sources at the agency for National Security Planning said Thursday.

Song Yong-song, 22, administration senior at Konguk University, and Pak Song-hi, 21, musical composition senior at Kyonghui University, are presumed to be staying in Berlin to attend a meeting preparing for a pan-national Korean rally, the sources said.

North Koreans, dissidents in Seoul, and Korean residents abroad plan to hold the rally in Seoul from Aug. 12-17.

The two students are likely to take part in an international conference on nuclear issues to be held in Pyongyang in mid-July as representatives of Chondaehyop or the national alliance of student representatives, the sources said.

If they make it to the North Korean capital, the collegians are expected to voice such North Korean demands as the simultaneous inspection of nuclear arms in South and North

Korea by the International Atomic Energy Agency and withdrawal of atomic weapons from the U.S. forces in South Korea, the sources said.

Earlier Thursday, four South Korean promoters of the pan-national rally requested the National Unification Board to give permission to contact North Koreans to discuss rally preparations.

Seeks Activists Helping Students

SK2806075391 Seoul YONHAP in English 0631 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—Two South Korean students now in Berlin on their way to Pyongyang had help from 15 activists and dissidents, the Agency for National Security Planning and the police said Friday.

An investigation had identified Kim Chong-sik, chairman of the National Alliance of Student Representatives (Chondaehyop), Han Chol-su, chairman of the Kyonghui University Student Council, and Song Kyu-pong, a former chairman of the Kyonghui University Student Council, as among them, sources said.

The Rev. Kang Hui-nam, one of the Seoul-side chairmen of the Pan-National Alliance for the Reunification of the Fatherland, was also believed to be involved, they said.

Chondaehyop announced Thursday it had sent Song Yong-song, 22, a senior at Konkuk University, and Pak Song-hi, 21, a senior at Kyonghui University, to Berlin for a conference of the pan-national meeting between South and North Korean students and Korean ethnic students abroad on July 14-15.

The radical group said the two would visit Pyongyang on July 27 to join a march from Mt. Paektu to the truce village of Panmunjom and attend an international conference on nuclear affairs, and that Song would return through Panmunjom in August, but Pak might stay on as Chondaehyop's permanent representative.

Everyone involved in sending the pair to North Korea will be arrested and most already have had warrants issued for them, the Security Agency sources said.

The Agency would soon meet with members of the pan-national alliance to discuss the event, they said.

The Agency would ask the German authorities to help in its investigation and would ask the Korean Embassy in Bonn to confiscate the passports of the students to prevent them from traveling to North Korea, they said.

In 1989, Chondaehyop sent Yim Su-kyong to Pyongyang to take part in the World Youth Festival. Yim returned to Seoul through Panmunjom and was sentenced to five years for violating the National Security Law.

Farmers Ask Clarification of Rice Market Stand

SK2806064991 Seoul YONHAP in English 0514 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—A farmers' organization demanded Friday that President No Tae-u explicitly state his position on South Korea's rice market opening and said it had strong suspicions about No's ability to withstand American pressure during his visit to Washington next week.

The Korea Peasants League (KPL) said in a statement that rice market opening should not be a topic of discussion at the Seoul-Washington summit and denounced the president for never once expressing his position on the matter.

No embarks on a state visit to the United States and Canada on Saturday and is scheduled for a summit with President George Bush on July 2.

No will be pressured by the U.S. government and rice exporters to open Korea's market and farmers cannot but seriously doubt whether he can withstand such pressure, the statement said.

"If President No strikes an agreement on rice market opening during the visit, his government will face insurmountable opposition from the 7 million farmers and the people," it said.

Trade and Industry Minister Yi Pong-so and the Ambassador to Geneva, headquarters of the Uruguay Round, Pak Su-kil raised a furor in April when they suggested that opening the agricultural market, including rice, was inevitable.

Prime Minister Chong Won-sik, meeting recently with farmers, promised that the government will not open the rice market.

* Poll Shows 'Schism' in Political Structure

912C0190A Seoul CHUGAN CHOSON in Korean 31 Mar 91 pp 10-15

[Article by reporter Yi Chin-kwang: "Signs of a Cataclysmic Change in the Political Structure; Poll Finds 'No Favorable Presidential Candidate'"]

[Text] "I support none of the political parties," 31 percent say. "I find no one whom I would like to recommend as a presidential candidate," 69.1 percent say. "The popularity rating of the party in power" is 18.3 percent. "Shift in generation in the political establishment is necessary, including the retirement of the three Kims," say 68.2 percent. "Shift in generation in the political establishment, including the retirement of the three Kims, should take place before the next presidential election," 78 percent say.

The popularity of the party in power has been at its lowest point for quite some time. Yet no other political force is in sight which is qualified as a substitute for the present government party and which is capable of bringing the nation together. Close to one-third of the respondents say that "I support none of the political parties," and more than two-thirds want the retirement of the three Kims and shift in generation in the present political establishment.

These are the results of a poll taken recently by the Futurology Research Center through the Korea Gallup Institute. The Futurology Research Center, (headed by Professor

Kong Song-chin, Graduate School of Government Administration, Hanyang University), publishes the futurology journal "FORUM 21."

The poll was taken at a time when public distrust of the political establishment at large plummeted due to the case of the assemblymen who made an overseas trip with bribery money, and the favoritism involving the parcelling out of apartment sites in Sosu, and other cases of corruption. The poll also took place in the midst of the formation of the Party of the Masses and in the thick of many important outstanding political issues such as merging the Democratic Party with some of the dissident groups outside the National Assembly. The poll was conducted from 25 January through 7 February. Using the proportional multistage stratified sampling method, 2,000 men and women of 20 years and over were selected throughout the country, including Cheju Island. The margin of error is plus/minus 2.2 percent, and its reliability is 95 percent. Cheju Island was included and the number of samples was set at 2,000 because the pollsters wanted to increase the reliability of the poll and reduce the margin of error.

The fact that the political structure in South Korea is on the verge of a serious schism and collapse is clearly revealed in the response to the question of which party each respondent supports.

In the survey of the popularity ratings of the existing parties, 31 percent said "I support none of the political parties," and this group accounted for the highest percentage. None of the parties exceeded 20 percent in the popularity rating, with the DLP [Democratic Liberal Party] polling 18.3 percent, the PPD [Party for Peace and Democracy] 17.8 percent, the Democratic Party 16.4 percent, and the Party of the Masses 5.2 percent. This is indicative of a dire schism in the South Korean political institution.

The popularity rating of each party by areas shows that the Yongnam area and the central part of the country are the DLP's main support bases, which include, in order of importance, Cheju, Taegu, North Kyongsang Province, Kangwon Province, Pusan, South Kyongsang Province, Taejon, South Chungchong Province, Inchon, Kyonggi Province, and Seoul. The poll highlights the characteristics of the PPD as a regional party entrenched in the Yongnam area. The following are the PPD's support bases: in order of importance, Kwangju, South and North Cholla Province, Cheju Island, and North Chungchong Province. Quite a few of the Democratic Party's support bases overlap with those of the DLP, the former enjoying support in the following areas in a decreasing order: North Chungchong Province, North Kyongsang Province, Cheju Island, Pusan, South Kyongnam Province, Taejon, South Chungchong Province, and Seoul.

In terms of popularity the DLP leads the rest of the parties in Inchon, Kyonggi Province, Kangwon Province, Taejon, South Chungchong Province, Taegu, North Kyongsang Province, Pusan, South Kyongsang Province, and Cheju Island. The PPD dominates in Kwangju and South and North Cholla Provinces. The Democratic Party is ahead of otners in Seoul and North Chungchong Province. In the Honam area, the percentage of supporters for the DLP is 2 percent in Kwangju and South Cholla Province and 1.4 percent in North Cholla Province, whereas in the Yongnam area, the percentage of supporters for the PPD stands at 3.1 percent in Taegu and North Kyongsang 7.3 percent in Pusan and South Kyongnam Province. These figures once again highlight the regional antagonism between the Yongnam and Honam areas.

The Democratic Party is slightly ahead in the popularity rating in Seoul, although all the parties are almost on a par with one another, with the DLP polling 15.5 percent, the PPD 13.7 percent, and the Democratic Party 16 percent.

It is most interesting to note that the Democratic Party led in North Chungchong Province with 31.4 percent, and the PPD with 19.2 percent was ahead of the DLP, which polled 11.9 percent. Interestingly, analysts are divided in their interpretation of this phenomenon in North Chungchong Province. Some explain that this phenomenon stems from the margin of error in the selection of the samples, whereas others say that it is indicative of the tendency among farmers to lean toward the opposition as illustrated by the Umsong-Chinchon by-election. While stressing the need for a more detailed survey, experts say that if a similar change should appear in North Chungchong Province clearly in further surveys, it will certainly represent a very interesting change.

The popularity ratings of the parties were also surveyed on the basis of the areas where the respondents come from, in addition to their current places of residence. Even in this survey, it became apparent that the DLP and the PPD have their specific support bases. It was also shown that the Democratic Party enjoys support in more widely scattered localities throughout the country compared with other parties.

The poll shows that the DLP and the PPD enjoy support in townships and villages rather than in major urban areas, whereas the Democratic Party enjoys comparatively greater support in major cities.

By occupations, farmers, forest workers, fishermen, blue-collar workers, office employees, and technicians preferred the PPD whereas the self-employed, housewives, the unemployed, and others supported the DLP. Students preferred the Party of the Masses. The supporters of the Democratic Party cut across various occupational lines.

Public opinion favoring shift in generation in the political institution highlights the degree of instability of the current political structure. The percentage of those who said it is necessary to effect shift in generation in the political institution, including the retirement of the three Kims, was 68.2 percent whereas the percentage of those who opposed was 13.7 percent. People who are older, more educated, and in a higher income bracket accounted for a higher percentage of those who demanded shift in generation.

By areas, the percentage of those in favor of shift in generation was higher among people in Seoul, North Cholla Province, Taejon, South Chungchong Province, Pusan, South Kyongsang Province, Taegu, and North Kyongsang

Province. On the contrary, more people in Kwangju, South Cholla Province, North Chungchong Province, Cheju Island, and Kangwon Province replied that they "do not see any need for shift in generation."

These results indicate that there is a strong pervasive demand for the retirement of the three Kims and shift in generation in all social strata. However, the demand in the Honam area for shift in generation, when it is checked against the response to the questions regarding the popularity of the hypothetical candidates for the next presidential race, may be interpreted as signifying that people in that area want other political leaders, not PPD President Kim Tae-chung, to retire.

As for the question of timing for the shift in generation, 78 percent answered that it should come before the next presidential election. However, the response to this question, when it is also analyzed in conjunction with the response to the question concerning the popularity of the hypothetical presidential candidates, does not necessarily signify that people will vote for none of the three Kims if they run for election.

Each pollee was asked to write down the name of the person he prefers as a presidential candidate in the next election; 69.1 percent said there is no one. This is indicative of the feebleness and instability of our political structure.

The percentage of those who gave a negative answer was the smallest in Kwangju and South Cholla Province. Of all the parties, the PPD supporters accounted for the least percentage of all those who gave a negative answer.

The following persons were given as favorable presidential candidates: PPD President Kim Tae-chung (9.3 percent); DLP Chairman Kim Yong-sam (3.2 percent); DLP Supreme Council Member Kim Chong-pil (2.1 percent); DLP Assemblyman Yi Chong-chan (1.9 percent); Pak Chan-chon, vice president of the Democratic Party (1.9 percent); No Mu-hyon, assemblyman from the Democratic Party (1.3 percent); Yi Ki-taek, president of the Democratic Party (1.1 percent); Pak Tae-chun, DLP Supreme Council member (1 percent); former Assemblyman Hon Sa-tok (1 percent). Also mentioned were: Yonhui University Professor Kim Tong-kil; President No Tae-u; Paek Ki-wan, advisor to the Party of the Masses; Kim Pok-tong, director of the International Cultural Research Institute; Pak Chol-on, minister of sports and juvenile affairs; Pak Se-chik, former mayor of Seoul; Chang Se-tong, former director of the Agency for National Security Planning; Kim U-chung, chairman of the Daewoo group; Cardinal Kim Su-han; Yi Chol, secretary general of the Democratic Party; Kim Yun-hwan, DLP secretary general; former President Chon Tu-hwan; former Prime Minister Kang Yong-hun; incumbent Prime Minister No Chae-pong; Yi O-ryong, minister of culture; National Assembly Speaker Pak Chun-kyu; Kim Chun-yop, former president of Koryo University; Yi Pu-yong, vice president of the Democratic Party; and Chong Tae-chol, assemblyman from the PPD.

Among the PPD supporters, 43.3 percent gave the name of Kim Tae-chung as the person whom they favor as the next presidential candidate, thereby establishing him as a favorite son of the PPD. On the other hand, 11.7 percent of the DLP supporters gave the names of the following as preferred presidential candidates: Kim Yong-sam (6.3 percent), Kim Chong-pil (6.3 percent), Yi Chong-chan (1.9 percent), Pak Tae-chun (1 percent), and Pak Chol-on (0.7 percent). This shows that the favorite son of the DLP is yet to be specified among PPD supporters.

27.6 Percent Say They Would Not Support Current Party Leaders as Presidential Candidates

Under the assumption that DLP Chairman Kim Yong-sam, PPD President Kim Tae-chung, Democratic Party President Yi Ki-taek, and Paek Ki-wan, advisor to the Party of the Masses, will run for the next presidential election, the pollees were asked which of these candidates they would prefer. Twenty seven point six percent answered they would support "none of them, or would abstain." Of the answers in their favor, Kim Tae-chung accounted for 18.8 percent, Kim Yong-sam 16.9 percent, Yi Ki-taek 12.8 percent, and Paek Ki-wan 8.1 percent. The remaining 15.9 percent answered that they are undecided.

By areas, Kwangju and South Cholla Province gave Kim Tae-chung the highest support rating of 81.9 percent as potential presidential candidate, trailed by North Cholla Province (67.1 percent), North Chungchong Province (19.9 percent), and Cheju (19.1 percent). On the other hand, Kim Yong-sam's support rating was 25.1 percent in Pusan and South Kyongsang Province, 22.6 percent in Kangwon Province, 22.3 percent in Taegu and North Kyongsang Province, 19.1 percent in Cheju, and 18.6 percent in Tae-chon and South Chungchong Province.

An analysis of the Kim Tae-chung supporters shows that he is more popular among men than among women and enjoys a higher rate of support among the younger, less educated and low-income category, as well as among farmers, fishermen, blue-collar workers, office employees, technicians, and the unemployed. On the other hand, Kim Yong-sam has more supporters among women than among men, among people 40 years and over than among the younger generation, among people with middle school education or less, and among people in higher income brackets, self-employed, businessmen, government employees, specialists, professionals, and housewives.

On the form of government associated with the constitutional revision issue, 39.9 percent preferred the presidential form of government and 32.2 percent the cabinet form. It is interesting to note that even among the DLP supporters, 43.5 percent were in favor of the presidential form as against 34.1 percent who favored the cabinet form. Women tended to support the cabinet system, with the number of women in favor of the cabinet system accounting for 33.3 percent, a higher percentage than the 30 percent who were in favor of the presidential form. The younger the respondents the higher the percentage in favor of the cabinet form. Among those in their 20's, the number was almost evenly divided between the supporters of the cabinet form and those of the presidential form, with 40.7 percent in favor of the former and 39 percent in favor of the latter. On the other hand, the more educated, the more in favor of the presidential form. By the size of areas, 42.2 percent of the people living in big cities were in favor of the presidential form, a much higher rate than 29.5 percent who are in favor of the cabinet form, whereas in townships, villages, and medium and small cities, almost an identical percentage of people are in support of the presidential form, with 37 percent, 34.9 percent, and 38.7 percent respectively.

This may be interpreted as signifying that among men living in large cities, the better educated class, that is, the strata which leads public opinion, is in favor of the presidential form of government.

On the question of whether or not the constitution should be revised before the next presidential election, in whatever form, that is, to adopt the cabinet form of government, or to create a vice presidential system, or to introduce a run-off presidential election, 46.7 percent of the respondents said "no," 38.1 percent said "yes," and 15.2 percent said "I do not know." By sexes, among men the number of the negative answers was far greater than that of the positive answers with the ratio of 56.7 percent to 34.3 percent, whereas as among women the number of the positive answers was greater than the negative answers with the ratio of 41.7 percent to 37.2 percent. By age, among those in their 20's, the numbers of positive and negative answers were almost even with 44.1 percent and 43.8 percent respectively. But the older the age, the higher the percentage of those against a revision of the constitution. By parties, among DLP supporters the number was fairly evenly divided, with 43.2 percent in favor and 45.3 percent against, whereas among PPD supporters the number of the positive answers was greater than that of the negative answers with the ratio of 48.9 percent to 44.8 percent. More PPD supporters are in favor of revising the constitution because, according to our analysis, they interpret the meaning of the proposed revision of the constitution as being aimed at introducing the vice presidential system and the run-off presidential election system as advocated by PPD President Kim Tae-chung rather than at adopting the cabinet form of government.

As qualifications required of political leaders, 48.9 percent of the respondents mentioned "moral character such as honesty and sincerity," and 14.9 percent "the degree of contribution to democratization and the determination for reform," and 14 percent "the ability to make policy decisions." By age, the older people preferred "moral character" whereas the younger generation preferred "the degree of contribution to democratization and the determination for reform." The level of education had no impact on the preference for "moral character," whereas people with higher education showed a tendency to prefer "the degree of contribution to democratization and the determination for reform."

DLP, PPD, Democratic Party Supporters Desire Stability, Party of Masses Supporters Desire Equality

When the pollees were asked what political qualities they would like to see in the Korean society 5 years from now, 47 percent gave the first preference to a "more stable society," 18 percent a "more egalitarian society," 17 percent a "more economically affluent society," 9.4 percent a "society with a cleaner environment," and 7.7 percent a "more liberal society." By political parties, DLP and PPD supporters gave the first preference to a "more stable society" whereas supporters of the Party of the Masses gave the first preference to a "more egalitarian society." A "more affluent society" was the second preference among DLP supporters, whereas a "more egalitarian society" was the second preference among supporters of the PPD and the Democratic Party. DLP supporters mentioned a "more egalitarian society" as their fourth choice, the third choice being a "society with a cleaner environment."

In conjunction with this poll, the Futurology Institute conducted a separate inquiry into what the youth in their 20's and 30's demand of future Korean politics. This is because the youth in their 20's and 30's not only have played the most important role in the Korean political scene but also represent the next generation which accounts for 57.6 percent of all the eligible voters. An analysis of this survey shows that people in this age bracket want a more stable and egalitarian society as the more desirable future image of the Korean society. This may be interpreted as indicating that the political demands of the next generation no longer stem from their desire for greater political freedom but are shifting toward resolving the question of inequality, with political and social antagonisms becoming more and more entrenched in our social system.

This has a close bearing on the phenomenon of the crumbling Korean political structure pointed out earlier.

The Futurology Institute also inquired into the reunification issue, the policy toward North Korea, and the future ROK-U.S. and ROK-Japan relations. The outcome of this survey and its analysis are published in the spring edition of "FORUM 21," a quarterly publication of the Futurology Institute, under the title "The Demands of the Next Generation With Respect to Future Politics." Given the minuscule research into the political opinion of the next generation in our country, this FORUM 21 article is appreciated as a meaningful study. (Incidentally, the telephone numbers of the Futurology Institute are: 02-554-8294 and 5-554-9918.)

* Kim Yong-sam Discussed as No Tae-u's Successor

912C0215A Seoul IRYO SINMUN in Korean
21 Apr 91 p 2

[Article by journalist Yi Yong-sok: "President No Has Already Designated His "Successor"]

[Text][Boxed item: Who will be nominated for the position of presidential candidate of the DLP [Democratic Liberal Party]? Previously Pak Chul-on, the present minister of youth sports and number 6 in the chain of command of the DLP under President No, was first in line for the position of presidential candidate, but he backed away from the nomination. After Minister Pak backed down, the field of competitors narrowed and the eye of the storm of the DLP disappeared. President No Tae-u has the key to the decision on the nomination, but since nobody can read his mind the identity of the candidate is still a mystery. President No has publicly stated that the decision as to who will be nominated will be made by the citizens and those inside the DLP during the final year of his presidency beginning in 1992. On 23 March, President No invited three friends and relatives, Kim Pok-tong, Kum Chin-ho and Pak Chul-on to Blue House for dinner where he explained that there were two reasons for his not selecting friends or former military officers as presidential candidates. During the three week period after Pak Chul-on stepped down, the last part of March and the middle of April, DLP opinion leaned toward nominating Representative Kim Yong-sam as their presidential candidate. In addition, President No reported, for the first time ever, to Kim Yong-sam that he intended to eliminate friends and relatives as potential candidates.]

Highly placed individuals in the DJP [Democratic Justice Party] faction believe that Minister Pak's backing away from the nomination necessitated greater group unity, so a conference for high level group members was planned. At that time Kim Yong-sam explained that greater group unity was not what President No had intended when he asked Minister Pak to step down. Kim Yong-sam stated that President No wants the three political groups to work toward becoming one unified political party. Secretary General Kim Yun-wan said that the DLP is not just a merger of three political hierarchies, the party has to show that it is a single, unified political movement.

Focus on "Will It Be Representative Kim or Not"

On 11 April, there was a different atmosphere surrounding the first meeting between President No and Representative Kim since the announcement that Minister Pak would step down, and at the end they issued a joint statement explaining the move. It appeared that the two men had had close, frank discussions, but this could have been a facade.

The opinions of those who are close to President No are sharply divided between those who believe that Kim Yong-sam will be the party's presidential candidate, and those who believe he won't.

At one point, President No believed that Kim Yong-sam would make a good presidential candidate, but little by little he has changed his mind. President No still believes in a cabinet system of government. However, this does not seem possible at this time. No one knows who the president will choose for the party's presidential candidate.

On one hand it may be someone from the DJP faction and on the other it could be Kim Yong-sam, though this does not seem very likely. President No wants the DLP to continue to exist. He also wants the three political groups within the party to continue to cooperate to promote stability, even after his retirement. This is foremost in his mind and makes it necessary for him to select a candidate who is capable of leading and further unifying the party.

The Desire for DJP-RDP [Reunification Democratic Party] Harmony

Those closest to President No have analyzed his intentions and believe that he wants the DLP to survive. There are 22 months left in President No's term.

During this time he is concerned about establishing a peaceful life for himself after his retirement from public office. Once he retires, he has no power to prevent or influence criticism of his administration and its policies. After his retirement, it will be left up to the citizens to evaluate whether or not his term as president was a success.

After his retirement there will be the question of what the citizens think about his administration and how stable the government is. If the government is stable after the transfer of power and the citizens are satisfied with his performance as president, the former president will find peace and contentment in his retirement. This is the reason that he is so concerned about the welfare and continuance of the DLP.

First of all, from President No's viewpoint, there are two remaining areas of improvement. The first is democratization. Despite what some critics have said, there has been an increase in democratization when compared to previous administrations. It is obvious that President No is confident about the progress he has made in this area. During the last three years of President No's term, the power of the opposition parties has been systematically increased to where it is now at an equitable level. The aim of the opposition parties is not to use political action to resist administration policies. The fact that they use their power for political action is an indication that the level of democratization has increased.

Another major contribution that President No has made is the merger of three opposing parties into one, something that will be documented in the history of political parties. Only the negative side of the merged parties has been shown. The PPD [Party for Peace and Democracy] is the only remaining opposition and since it continues to antagonize the consolidation of three parties, the entire government is in turmoil. By merging three political parties, the DLP gained power and left no alternatives for the citizens to choose from; therefore, the citizens want the government to perform well and they will support the party and make it the cornerstone of political power. During a speech in Pusan on 7 March, President No showed his true thoughts when he stated that during the consolidation of the three parties harassment from the opposition party increased and if Kim Yong-sam had not pushed for the merger, the DLP would not exist today and the government would not enjoy its present stability.

The merger of the three parties has resulted in a broadening of President No's power base. The merger has joined two historically antagonistic political parties; one party that represents a 30 year pan-military administration of power and another with a tradition of opposition to military rule and promotion of democratization.

Since this new party has experience being both the ruling party and the opposition party the transition toward democracy will be smoother. The rift between the government and the opposition parties has been so wide that it has prevented an orderly exchange of political power in this country. The merger of these three parties has narrowed this breach.

A DLP that remains strong after President No's retirement will provide him protection. President No wants the DLP to remain one where the DJP faction and the RDP faction continue to work together hand-in-hand.

The previous information provides a key to what is really in President No's mind. There are three possible choices that

President No can make: an amendment to the constitution that would establish a cabinet system of government; a candidate from the DJP faction; nominate Represenative Kim Yong-sam.

President No and members of the DJP have used all of their political power to promote an amendment of the constitution that would establish a cabinet system government. An amendment to the constitution would be possible if it were supported by Kim Yong-sam and the president of the PPD, Kim Tae-chung. The DJP faction has focused its pressure on Kim Yong-sam and it seems that they have already obtained the cooperation of Kim Tae-chung. The DJP faction pressured Kim Yong-sam by reminding him that if their bid to amend the constitution was not successful he would lose an opportunity to gain political power, but this ploy failed. In October of last year the prospects for a cabinet system of government seemed to have disappeared after a wave of threatened resignations, but recently the whole topic has resurfaced.

A cabinet system of government is not possible as long as the president of the PPD, Kim Tae-chung, opposes it. Kim Chong-pil, a representative of the DLP, realizes this even though he has been devoting a considerable amount of effort toward establishing this system.

Representative Kim Chong-pil predicts that when the large-constituency local election is finished, Kim Tae-chung will be the first to recommend that a cabinet system of government be established. Even though Kim Tae-chung changed the name of his party from the PPD to the NDUP [New Democratic Union Party], the assembly election will show that his political support is still limited to Cholla Province. Kim Tae-chung realizes that he does not have enough popular support to win a presidential election, therefore a cabinet system of government might allow him to participate as a member of a coalition government.

This may be the case. Kim Tae-chung may have already opened the door to the possibility of a constitutional amendment, even though he has publicly stated that he is against such a measure. For example, Kim Tae-chung said that "this is a strategy for unifying DJP factions. I presume that Kim Yong-sam is optimistic about a nomination as the party's presidential candidate, but this won't be decided until August and, in the meantime, Kim Yong-sam has been dragged into the fight for the passage of President No's amendment."

It is obvious, however, that the nomination for DLP presidential candidate has not been decided and a decision will not be made until August. As Kim Tae-chung said, Kim Yong-sam has to be dragged into the fight for passage of the amendment.

Do you think that this is true? If Kim Tae-chung opposes passage of the amendment, there will be an enormous amount of pressure on him to cooperate. President No is putting all of his efforts during the remaining period of his administration into this fight for passage of the constitutional amendment. Why is he taking this kind of risk? It all comes down to the fact that whether or not a cabinet system of government is established depends on Kim Tae-chung. The fact is that Kim Tae-chung knows this better than anyone; however his statement that Kim Yong-sam must be dragged into the fight for the amendment shows that it is difficult to determine exactly what is on Kim Tae-chung's mind.

This is not the proper time for passage of the amendment to the constitution; this is impossible under current conditions. Now is a very difficult time for passage of a constitutional amendment, however, if there is a crisis similar to the one that occurred on 17 May this could change.

The next presidential candidate will come from the DJP faction. President No and the DJP faction have been pushing for the establishment of a cabinet system of government and, in the process, have put a lot of pressure on Kim Yong-sam. A cabinet system of government seems to be a way to unite the DJP faction and the PPD. However, it is not in Kim Yong-sam's best interests and will result in him being left out of politics. Members of the DJP faction have said that the position of president of the party will be given to Kim Yong-sam, but even if he is given the position, actual power will be held by the majority group within the party, the DJP faction. With this in mind, and because a cabinet system of government is not now possible, it is natural that the next presidential candidate from the party will come from the DJP faction.

The only presidential candidate that the opposition party has to offer is Kim Tae-chung, therefore the DJP faction believes that whoever they select as their candidate will win the presidential election. The RDP faction and Kim Yong-sam will be left out as time goes on. The DJP faction believes that if the RDP faction loses the fight over who will be nominated for the position of party presidential candidate in May of next year, they have no place to go and cannot sever their ties to the party.

There is pessimism over the DJP faction's ability to create a stable government. There are other candidates, but it is difficult to choose one. There is Supreme Minister Pak Tae-chun, Prime Minister No Chae-pong, and influential house members Kim Yoon-whan and Lee Chong-chan. In addition, Representative of the DLP Kim Chong-pil is included as a candidate from the DJP faction. However, in President No's mind these men of influence are not serious contenders. Kim Chong-pil was one of the leaders of the 16 May military revolt. No Chae-pong is prime minister, but he has progressed too fast and has reached his limit. Of all the possible candidates from the DJP faction, no one person stands out as being more likely to win the nomination over any other.

The DJP Faction Remains in the Mainstream

Finally, Kim Yong-sam appears to be first in line for nomination. However, he is a member of a minority group within the party and if he becomes the party's candidate the DJP faction will lose control of the DLP even though they make up the majority of the party.

Inside the DJP faction some members are becoming uneasy over the prospect that they might be eliminated if Kim Yong-sam gains control of the party.

Kim Yong-sam is the best candidate because his nomination would ensure that the historical merger of the three political parties will continue to survive. If Kim Yong-sam obtains control of the DLP, the gap that separates it and the opposition party will be narrowed.

The main question is that if control of the DLP is passed to Kim Yong-sam, will the DJP faction maintain its place at the center of the party? President No is concerned about the security of the DJP faction. On 23 March, at a dinner party with friends and relatives, President No stated that he would support Kim Yong-sam if Kim can embrace the DJP faction and the NDRP [New Democratic Republican Party] faction. President No also repeated this statement to Kim Yong-sam, the Minister of State for Political Affairs Kim Tong-yong and those close to Kim Yong-sam.

President No is providing Kim Yong-sam with an opportunity to show his support for the DJP faction. For the moment, President No is leaning toward Kim as the party's presidential candidate.

However, we have to look at the reason that President No has given Kim this chance. This is a subtle message to Kim that if he misses this opportunity, President No will turn his support in a different direction.

In summary, here are three possible choices for President No in the order of likelihood: Representative Kim Yong-sam; a member of the DJP faction; a cabinet system of government. However, it seems that the possibility of a cabinet system of government has been eliminated. Therefore, there are two choices that are equally possible: to nominate Kim Yong-sam or a member of the DJP faction. Of course, according to news reports currently circulating, there is a good basis for nominating Kim Yong-sam.

There are also disadvantages. Minister Pak's backing away from the party nomination has caused the date of meeting where the nomination decision will be made to be moved up, which in turn has meant a delay in the request for a meeting. Even though Kim Yong-sam and the RDP are pushing to move the nomination meeting ahead, it will not take place until the end of this year or early next year after the end of the regular session of the National Assembly which concludes in September. However, this is not an official nomination meeting and it might only establish a list of eligible candidates.

In the past, presidential elections have preceded National Assembly elections, but in this case the order will be reversed. According to DLP rules, the nomination convention will occur 2 to 3 months after the National Assembly elections during the opening of the 14th National Assembly in May. Consequently, assemblymen who are just starting their new terms in office will have more freedom than President No or Representative Kim Yong-sam who are coming to the end of their terms.

Cabinet System of Government Is Not Realistic

President No has already decided in his own mind who his replacement will be. He has concluded that he needs a strong support base during the remaining portion of his term in office, therefore he made Minister Pak step down from the party's nomination as presidential candidate. Now the three political groups that make up the DLP have seen what President No has in mind and they are stepping forward to support his administration.

President No has been especially cautious about revealing who he supports as his replacement because a premature revelation could cause public disturbances, economic instability resulting from a long drawn-out presidential campaign, a duality in national administration and occasional power struggles. Therefore President No must maintain a wide selection of potential candidates until the general election.

Extraordinary Assembly Session Set for 8-24 Jul

SK2806090391 Seoul YONHAP in English 0836 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—The floor leaders of the ruling Democratic Liberal Party [DLP] and main opposition New Democratic Party [NDP], Kim Chong-ho and Kim Yong-pae, agreed Friday to convene the National Assembly for an extraordinary session July 8-24.

The Assembly would handle the government bill on joining the United Nations, approve the nomination of Prime Minister Chong Won-sik and pass a supplementary budget bill, DLP whip Kim said.

The shooting of four people by a policeman this week and the alleged jerry-building of apartments near Seoul would also be dealt with, he said.

"The party will make efforts to disclose corruption committed during the June 20 local elections," NDP whip Kim said. The NDP claims it suffered a devastating defeat because of a pecuniary offensive by the ruling party.

The NDP would seek to form a parliamentary fact-finding team to investigate jerry-building and and the shooting, he said.

A confrontation is expected as the DLP hopes to pass a 4.15 trillion-won (5.72 billion U.S. dollars) supplementary budget for fiscal 1991 that the NDP says would worsen inflation.

DLP Kim said the supplementary budget was urgently needed to expand infrastructure, and NDP Kim said there was no change in his party's stance.

Substandard Housing Causes Investigation Calls

SK2606070491 Seoul YONHAP in English 0622 GMT 26 Jun 91

[Text] Seoul, June 26 (YONHAP)—Government plans to build 2 million housing units by 1992, already plagued by difficulties such as shortages in manpower and materials, have run into yet another snag—mounting calls for readjustment of the plans.

Pressed to meet construction deadlines by the government, some construction firms at Pyongchon and other satellite cities have used substandard concrete and flouted inspection regulations.

To solve a shortage, the government drew up an ambitious plan to build 2 million dwelling units between 1988 and 1992. It had completed 1.53 million by 1990 and planned to build another 500,000 in 1991.

Construction experts have advised the government to postpone the project, saying that continuing would hurt the entire national economy seriously.

A glut of jerry-built apartments that no one wants is feared if the construction project is continued, the experts say.

The Construction Ministry assembled a team Tuesday and began quality and safety checks on the apartments now under construction, but the experts said jerry-building was a systematic problem caused by construction plans that exceeded construction capability and demanded that the government take fundamental steps.

The optimum level for Korea is 450,000 units a year, but 700,000 were built in 1990 at the government's urging, they said.

A building boom, boosted by the 2 million-unit construction project, also is the main reason for the high inflation rate.

The supreme prosecutor Tuesday instructed district prosecutors in Seoul and Suwon City to secretly open investigations into the supply of substandard concrete to construction firms in Pyongchon and Sanbon.

The probe will cover government and construction company officials and try to determine if they used inferior concrete with full knowledge and if government officials tacitly approved the use.

A prosecution official said the prosecution will carefully consider whether to start a formal investigation because the project is a subject of national concern and the most important project of the government.

Government To Extend Apartment-Building Period

SK2706025391 Seoul YONHAP in English 0156 GMT 27 Jun 91

[Text] Seoul, June 27 (YONHAP)—The government plans to extend construction period for apartments in the five new satellite cities around Seoul by five to 11 months to prevent jerry-building from occurring.

However, construction of the apartments which have already been sold to citizens will be carried out as scheduled, Construction Minister Yi Chin-sol said after an emergency meeting of government ministers Wednesday to discuss the controversy over the hasty construction with improperly mixed concrete.

Special supervising team will be sent to construction sites for round-the-clock supervision to make sure that standard concrete be used in the construction, Yi said. The meeting was chaired by Deputy Prime Minister Choe Kak-kyu.

Mammoth apartment towns are under construction in Pundang, Ilsan, Pyongchon, Sanbon and Chungdong to ease housing shortages and soaring house prices under the government's plan to build 2 million houses during 1988-1992 period.

Yi said that the government will go ahead with the original housing plan.

Construction period for newly sold apartments will be extended up to 11 months depending on the height of the building in order to give enough time to the contractors.

Construction period for a 10-story apartment will be increased from 10 months at present to 15 months, that for a 15-story apartment from 17.5 months to 25 months and that for a 22-story building from 28 months to 39 months.

Yi said that the government will readjust apartment construction projects in the provincial cities in order to ease the overall shortage of construction materials which may result in jerry-building.

Demand for apartments is not so high in the provincial cities as in the metropolitan area.

The government will strengthen quality checks on ready-mixed concrete, commonly called "remicon," he said.

A company allegedly used sand dredged up from the seabed in producing remicon.

Experts have warned that the salty sand would erode reinforcing iron rods used in fixing the walls of apartments.

Some of the apartments under construction are being demolished by the contractors for rebuilding because of the substandard quality of the concrete supplied by Jinsong Remicon Co.

Seoul Takes Steps To Improve Cement Supplies

SK2706070391 Seoul YONHAP in English 0539 GMT 27 Jun 91

[Text] Seoul, June 27 (YONHAP)—Wrong projections of demand caused a serious shortage of cement and the use of substandard ready-mixed concrete in construction projects but the government was quick to readjust the supply for the second half, officials at the trade and industry said Thursday. [sentence as received]

Cement consumption for 1991 was estimated at 48.8 million tons, up 16.1 percent from a year before, but in the first five months construction companies bought 16.2 million tons, up 35.8 percent from 1990.

The government has organized an ad-hoc committee of officials from the Economic Planning Board, and the Trade and Industry, and Construction Ministries and revised the second-half projection to 28 million tons, up 30-35 percent.

To stabilize the cement market, the government increased imports from China, which supplies 96 percent of total Korean imports, in March and put the brake on exports.

As of early June, the cement price was 42,000 won per cubic meter, compared with 38,000 won a year before.

Imports from China did not arrive in Korea on time and aggregate was hard to come by, pushing the price up.

Defense Ministry Spells Out Technology Goals

SK2806105191 Seoul YONHAP in English 1017 GMT 28 Jun 91

[Text] Seoul, June 28 (YONHAP)—The South Korean Defense Ministry has decided to spur development of weapons technology and parts, and promote cooperation with the Soviet Union and five other nations in Eastern Europe in defense industry, an official at the Ministry said Friday.

"The major development targets are the technologies for computers, electronics, optics, three-dimensional radar, missiles, artificial intelligence, and automation of command, control, communication and information system," the official said. "We are getting information on the long-term weaponry demand in each military branch and trying to increase spending on research and development."

Priority will be given to self-reliant development and then to importing technology if it turned out to be hard to achieve, he said.

College research centers will be assisted in developing basic technologies. The proportion of the research and development spending in the defense budget will be increased from 2.5 percent in 1991 to 5 percent in the year 2000, he said.

South Korea's pursuit of cooperation in defense industry with the Soviet Union, Poland, Romania, and other Eastern European countries would not at all be handled in a manner that would affect the existing cooperative relations with the United States, the official said.

"We will also promote trade and technology transfer with potential cooperation partners in Southwest Asia and Africa," he said.

South Korea has exchanged memorandums of understanding with Britain and Italy, and will do the same with France and Spain.

* Minister's Limited Power, Funds Affect S & T

912C0212A Seoul CHUNGANG ILBO in Korean 19 Apr 91 p 19

[Article by reporter Sin Chong-o: "The Man at the Helm of 'Scientific Korea' Ranks Low on the Government Ladder"]

[Text] **Ministry of Science and Technology**

The Government Organization Law says that the Ministry of Science and Technology is a branch of government under the jurisdiction of the prime minister which "formulates overall basic policies designed to develop science and technology, integrates plans, and takes charge of technical cooperation, atomic energy, the information industry, and other matters relating to the development of science and technology."

Being an "office" instead of a "ministry", it is a powerless ministry with only a coordinating function, devoid of an executive function. Nevertheless, characteristically, it has the largest number of highly trained personnel, including more than 1,800 with doctor's degrees. The organization of the ministry changed in 1985 from the bureaus/sections system to the offices/officers-in-charge system, but on 1 April, it reverted to the bureaus/sections system.

The ministry now consists of three offices, three bureaus, 19 sections, and 15 officers in charge. The three offices are: the Planning and Management Office, the Research and Development Coordination Office, and the Atomic Energy Office; and the three bureaus are: the Technology Promotion Bureau, the Technology Development Bureau, and the Technological Cooperation Bureau. The officers in charge include the officer for manpower policy. There are six research coordination officers in the Research Development Coordination Office, including coordination officers for basic and overall science; mechanic, electronic, and chemical engineering; energy and resources; and biology and oceanology.

The fixed number of personnel for the ministry proper is 358. It has the following organizations under its jurisdiction: the National Science Museum (144 employees), the Dae Duk Science Town Administration Office (45 employees), and the Meteorological Administration (878 employees), which was upgraded from the Meteorological Observatory late last year.

The ministry also has 22 government-funded research organizations, including KIST [Korea Institute for Science and Technology] and KAIST [Korea Advanced Institute for Science and Technology].

The combined total of personnel in these government-funded organizations is 13,337, including 6,591 professors, researchers, and other technical personnel and 3,746 administrative workers. Of this total, 1,803 have doctor's degrees and 2,865 have master's degrees. Although the Ministry of Science and Technology ranks 20th among 28 ministries and agencies in the State Council, it has the largest number of highly trained personnel.

Minister of Science and Technology

"Science and technology will play a decisive role in the economy and national life as our society moves into information society and the latter phase of industrialized society. In this sense, the position of the minister of science and technology is not one which merely represents the scientific world or science institutes but one in which he should back up related ministries and agencies and coordinate with them so that they can actively implement their policies with priority on science and technology."

In those words former Minister of Science and Technology Mr. L explained the role of the minister of science and technology. He said: "However, it is frustrating to see that while acknowledging the importance of science and technology, other ministers opt for a practical solution rather than making a scientific approach when they are confronted with problems directly involving the people's daily life. The result is that science and technology is always pushed down on the ladder of priority." He lamented that this is exactly the limit and status of the Ministry of Science and Technology and indicates where our science and technology stands.

Another former minister of science and technology made this comment: "Everyone clamors about the need for developing science and technology, the motive and driving force for national development. Within the government, however, the Ministry of Science and Technology is being treated no better than the Ministry of Government Administration, which is a general administrative office for the government. There is this enormous gap between ideals and reality. In addition, the law says that the Ministry of Science and Technology takes overall charge of and coordinates S&T-related policies; but in reality, the ministry has been given no tool for performing this function. In other words, there is also a gap between reality and system. I even felt lonely, tormented with these gaps."

Position Gradually Deteriorates

With the Ministry of Science and Technology regarded as a ministry neither with power nor with luster, it seems that the prestige of its minister as the symbol of authority is now fading even within the world of science and technology.

It was in 1967 that the Ministry of Science and Technology was inaugurated. Both the public opinion calling for the establishment of a branch to take charge of science and technology, and the political situation that existed in the country on the eve of the sixth presidential election in May 1967 worked together in favor of establishing a new ministry. As a result, the administrative branch specializing in science and technology with its head having the rank of minister was born, and it was the first such ministry ever inaugurated in developing countries.

The Ministry of Science and Technology opened its office in the old Atomic Energy Agency building in Chongdong, Seoul, on 21 April 1967. After the pattern of the technology management bureau of the Economic Planning Board, the Ministry of Science and Technology started as a small organization with two offices and two bureaus and with the Office of Atomic Energy, the National Geological Survey Office, and the National Meteorological Observatory under its jurisdiction. The government designated 21 April as "Science Day" and the month of April as "Science Month," and this epitomizes the significance of the inauguration of the Ministry of Science and Technology.

The present minister of science and technology is the 13th since the inception of the ministry. The turnover rate is 1 year and 10 months. Of the 12 former ministers, eight ministers served less than 1 year. The fifth minister, Yi Chong-o, and the 11th, Yi Sang-hui, are the only ones who served more than 1 year among the ministers appointed since 1980.

Affected by political winds, there has been such a frequent turnover under the Fifth and Sixth Republics even in the post of minister of science and technology that its successive ministers were unable to devote themselves to their duties, with no consistency in science and technology policies.

Each time the minister changed, the new minister came up with novel ideas. But the new policies had to be shelved with no chance of implementation. Science and technology administration has been a continuation of flashes in the pan. The post of minister of science and technology is one which should not be buffeted by political winds. It is a position in which the minister familiar with the world of science should pursue the state's science policy with consistency.

Kim Ki-hyong became the first minister of science and technology when he was serving as a standing committee member of the Economic and Science Council. He came up with novel ideas and earned his nickname as a "master of quixotic ideas." Kim, expert in materials engineering, is currently the managing director of KAIST.

His foremost achievement was the building of the backbone of science and technology policy in the early stage of development by, among others, formulating the "long-range comprehensive S&T development plan (1967-1986)" by mobilizing over 400 experts.

The second minister, Choe Hyong-sop, is the longest serving minister. He stayed on the job for 7 and ½ years, which corresponds to one-third of the entire history of the Ministry of Science and Technology. An expert in metal engineering, Choe is currently an advisor to Pohang Iron & Steel Company. He was regarded as a rare S&T administrator versed in theory and practice with his experience as vice president of Kuksan Motors, a bureau chief of the Ministry of Trade and Industry, as director of the Korea Atomic Energy Research Institute, and as the first director of KIST.

"Mr Choe's model" on industrialization strategy for developing countries was so popular that it was adopted by many countries in Southeast Asia and Africa.

He consistently and persistently pursued his philosophy on research and management represented by such doctrines as "autonomy in research," "fiscal stability," and "the nurturing of a rational and free atmosphere." He kept the door to his office open so that research members might meet him at any time, and strived to inculcate self-respect in scientists.

With the clairvoyance of looking 10 years ahead, Choe established the Bureau of Information Industry during his tenure as minister of science and technology. However, he downgraded the Office of Atomic Energy to the Bureau of Atomic Energy, and pursued policies partial to KIST, and clung to the doctrine that as far as the scale of S&T administration is concerned, "the smaller, the better."

The third minister was Choe Chong-wan, (an expert in civil engineering and currently managing director of the Korea Atomic Energy Safety Institute). At each meeting he presided over, he talked so energetically for hours on end that employees of his ministry called him the "garrulous minister."

The fourth minister, Song Chwa-kyong, (deceased expert in high molecular chemistry), was serene and gentle in disposition. His tenure was so short that he was not able to accomplish anything noteworthy.

Yi Chong-o, a graduate of the 13th graduating class of the Military Academy, was appointed as the fifth minister of science and technology upon recommendation by his Military Academy classmate, Mr. W, who was advisor to the

Agency for National Security Planning. Yi, an expert on mechanical engineering, is currently a professor at KAIST. He, the administrative type, had a long tenure and produced many achievements.

No sooner had he assumed his post than Yi announced the "measures for the augmentation and improved operation of the research and development system." Under these measures, he consolidated 16 research organizations under the jurisdiction of different ministries and agencies into eight larger institutions and launched a special research and development project designed to develop core industrial technologies on a priority basis.

His successor, Kim Song-chin, (an expert in mechanical engineering and currently director of the Korea Computer Institute), was in the same class with the president in the Military Academy and was the top honor student of the 11th graduating class. For this reason, his appointment raised great expectations.

Placing emphasis on fostering small and medium enterprises, Kim took every opportunity to go out to the field. During his tenure, he toured more than 230 small and medium enterprises in 10 months, drawing on himself the ire of the Ministry of Trade and Industry.

The appointment of Chon Hak-che, (an expert in catalytic chemistry and currently professor at KAIST), as the seventh minister of science and technology was a surprise. There was a rumor that he became the minister upon recommendation of the Chon clan. But, he stepped down after serving only for 7 months and 19 days.

Chon outdid the second minister, Choe Hyong-sop, clinging to his doctrine that as far as S&T administration is concerned, inaction is the best policy.

The eighth minister, Yi Tae-sop, (an expert in chemical engineering and currently a National Assembly member), was the first politician-turned minister of science and technology. Public enthusiasm about his appointment was second only to that received by Kim Song-chin, the sixth minister of science and technology.

Under the banner of "science-oriented industry," Yi distinguished himself by succeeding in receiving a large budgetary allocation for his ministry. But, he spent so much time on extraneous activities with an eye on getting reelected to the National Assembly that he ended up stepping down in mid-stream.

Pak Kung-sik, Shortest Serving Minister

Pak Kung-sik, (an expert in analytic chemistry and currently executive director of Korea Mechanical Research Institute), was unexpectedly named as ninth minister of science and technology in the closing days of the Fifth Republic for a limited tenure. He had to leave his post in 7 months and 12 days, thus becoming the shortest serving minister of science and technology.

He, a man of hot temperament, was criticized for his extemporaneous manner of operation. On the other hand, he had the trait of a "Belgian gentleman," knowing how to appreciate art and how to maintain his integrity.

Yi Kwan, (an expert in mechanical engineering and currently chairman of the 21st Century Committee), was named as the 10th minister of science and technology with the birth of the Sixth Republic for his image of freshness. True to his background as college professor, he emphasized basic science most and was fond of organizing seminars.

In a farewell speech delivered at Ulsan University when he was leaving his post as its president to take up his new post, Yi promised the university faculty that "when I step down as the minister, I will surely return and stand at the podium of this auditorium of the university." But he has not yet returned to his old university, maybe because of some greater cause.

During his tenure, the research institutes were beset with labor disputes, and he was criticized for being fainthearted and trying to avoid settling the problems. He also went through an ordeal over the safety issue involving the introduction of the No. 11 and No. 12 atomic reactors.

No other minister ever breathed fresh air into the Ministry of Science and Technology as did its 11th minister, Yi Sang-hui, (a pharmaceutical expert and currently managing director of the Korea Science and Technology Promotion Council). As befitting the political minister that he was, Yi took every opportunity to emphasize the importance of science and technology throughout his entire tenure, presenting himself at breakfast meetings and other gatherings.

He stressed that in building a state blessed with superb creativity, it is necessary to actively promote basic science with university at the center and to train high-grade research personnel. He declared 1989 "the first year of basic science" and tried hard to increase funding for the Korea Science Foundation.

Chong Kun-mo, the 12th minister of science and technology, is an expert in nuclear physics and currently teaches night courses as a professor at Aju University. He tried hard in his own way to develop his ministry's S&T policy into a system which balances demand and supply. But, unfortunately he had to step down after serving for only 7 months because of the Anmyondo incident which was triggered by the controversy over the dumping site for radioactive waste.

At a time when there was no alternative plan for a radioactive waste dumping site, the Korea Atomic Energy Research Institute happened to recommended Anmyondo as a dumping site. Acting upon this recommendation, Chong, a widely acknowledged nuclear expert, pressed too hard with the plan, with a view to solving the question of radioactive waste disposal, a long-standing national issue, during his tenure. As a result, he ended up a "short-lived minister."

Ordeal Over Anmyondo Incident

All the successive ministers of science and technology were experts in natural science and had doctor's degrees, except the incumbent minister, Kim Chin-hyon, who is different in that he is neither a science expert nor does he have a doctor's degree.

He has a strong determination to eliminate all hidden and accumulated morbid practices in the world of science and technology. But he is too critical because he sees S&T administration from a journalistic viewpoint. Some say that unlike his predecessors, he cannot see the wood for the tree.

As suggested by his nickname, the Anmyondo minister, he gives top priority to settling the controversy over the radioactive waste dumping site.

Science and technology administration is at once a specialized field of administration which integrates technological factors in various fields, and a field of comprehensive administration which organically brings demand for and supply of technology together. It is at once dynamic administration which induces the development of science and technology through socioeconomic development, and supportive administration which induces and promotes the development of science and technology in the private sector also. For this reason, there is a loud cry demanding that the Ministry of Science and Technology adjust its functions to reflect these characteristics.

However, as things stand now, the ministry is too weak to perform a comprehensive coordinating function due to its limited budget and the restraint on its right to allocate resources. Therefore, it is widely recognized that the minister of science and technology has difficulty in performing his duties because whatever decision the overall Science and Technology Council makes is not properly implemented.

That is why in order that activities to innovate science and technology as needed for national development may be carried out energetically, it is imperative that a condition be created that is conducive to executing the kind of science and technology administration which is harmoniously equipped with the three essential factors, namely, policy, implementation, and resources.

For this reason, the question of upgrading the Ministry of Science and Technology from "office" to "ministry," a full-fledged ministry, or upgrading the head of the science and technology administration to the rank of deputy prime minister is often a subject of discussion.

Burma

France Waives 497 Million Franc Development Loan

BK2706151791 Rangoon Radio Burma in Burmese 1330 GMT 27 Jun 91

[Text] Mr. Alain Briottet, ambassador of France to the Union of Myanmar [Burma], paid a call on Brigadier General Abel, minister of planning and finance and trade, at the Ministry of Trade at 0930 today and presented a memorandum to waive the loans that the Government of the Union of Myanmar had taken from the French Government under a development assistance plan.

Under the memorandum, about 497 million French francs—about 572 million kyat—of loans that the Myanmar Government had taken will be waived by the French Government.

The loans were obtained in 1976 to be used for procuring locomotives, tools for laying tracks, telephone exchanges, and teleprinters as well as for the Pa-an cement factor project, the Hmawbi asbestos sheet factory project, and the Thazi cannery project.

Brig. Gen. Abel told the French ambassador that the Myanmar Government and people were pleased and grateful to French President Mr. Francois Mitterrand, the French Government, the French people, and the French ambassador to Myanmar for waiving the loans.

Also present on the occasion were U Min Aung, consultant of the Ministry of Planning and Finance; U Maung Maung Han, Governor of the Union of Myanmar; U Myint Aung, acting director general of the Foreign Economic Relations Department; U Tin Aung, director general of the Industrial Planning Department under the Ministry of Industry-1; U Tin Maung Tun, managing director of the Myanmar Ports Authority; and Mr. (Devani), consul, and Mr. (Borondini), economic counselor, of the French Embassy.

Home Minister Sends Message on Antidrug Day

BK2606053391 Rangoon Radio Burma in Burmese 0130 GMT 26 Jun 91

[Text] Lieutenant General Phone Myint, chairman of the Central Committee for Drug Abuse Control of the Union of Myanmar [Burma] and minister for home and religious affairs and for information and culture, sent a message on the occasion of the International Day Against Drug Abuse and Illicit Trafficking today. The message reads:

Today we observe the International Day Against Drug Abuse and Illicit Trafficking. With the consent and support of all member states, in 1987 the UN General Assembly at its regular session designated 26 June as the International Day Against Drug Abuse and Illicit Trafficking. It has already been four years that Myanmar has annually celebrated this auspicious day on the national level by organizing courses, discussions, exhibitions, and public educational and information activities concerning the antinarcotic drug campaign.

The program of drug abuse and illicit trafficking transcends the geographical boundaries and dividing lines of race and religion and poses a threat to all nations in the world. Fully aware of the menace of illicit drugs, Myanmar upgraded its antidrug campaign to a new level of intensification from 1974 onward and has ever since launched as a national responsibility a comprehensive multi-sectorial antidrug program covering a wide range of activities such as law enforcement, income and crop substitution, livestock breeding, medical treatment, rehabilitation, education, and information.

Furthermore, we are emphatically implementing this antidrug program as a national priority task, carrying forward the momentum we have thus far gained. In parallel with the antidrug program, we are in the process of implementing the program for the development of the border areas and national races. The latter program is also supportive of our national endeavor to combat the scourge of illicit drugs.

At the international level, the Union of Myanmar has participated in the meetings, conferences, and sessions sponsored by the UN General Assembly and has benefited from the exchanges of views and experience at those meetings.

In accordance with the resolution concerning the subregional cooperation adopted by the UN General Assembly in 1990, the Union of Myanmar is currently in the process of implementing programs for cooperation with its neighboring countries—Thailand and the PRC. Likewise, there will be such cooperation between the Union of Myanmar and Laos in the near future.

Furthermore, the Union of Myanmar has now become a full party to the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotrophic Substances as of 11 June 1991.

Hence, this message is conveyed with the fervent wish that in tune with the government's dynamic action, all national, social, humanitarian, and religious organizations will wholeheartedly participate and join in a concerted effort in the fight against the scourge of narcotic drugs which threatens all mankind and the world at large.

May all the nationals and the people of the Union of Myanmar join hands in high spirit and participate more actively in carrying out antidrug measures with a deep sense of national responsibility.

Registration of Intha Organization Annulled

BK2706151391 Rangoon Radio Burma in Burmese 1330 GMT 27 Jun 91

[Announcement No. 946 of the Commission for Multiparty Democratic General Elections of the Union of Myanmar, dated 27 June]

[Text] Subject: Annulment of Registration of the Intha National Organization as a political party.

1. The Commission for Multiparty Democratic General Elections of the Union of Myanmar [Burma] issued Announcement No. 191 on 21 February 1989 that it has

permitted, under Article 5A of the Political Parties Registration Law, the registration of the Intha National Organization as a political party when that party was located at No. 16, Lanmadaw Street, Ywanghwe Hawgon ward, Taunggyi, Shan State. The party later moved to No. 193, Shwehintha Street, Ywanghwe Hawgon ward, Taunggyi, Shan State.

2. However, the commission is now in receipt of a request from the party's Central Executive Committee members unanimously seeking an annulment of the registration of that party. The Commission thereby declares that the registration of the Intha National Organization has been annulled, effective 27 June 1991.

By the authority vested in me.

Signed: Aye Maung, secretary.

Cambodia

Hun Sen-Led SNC Delegation Returns Home

BK2806115191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 28 Jun 91

[Text] On the afternoon of 28 June, the delegation of the State of Cambodia's Supreme National Council [SNC] led by Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and member of the SNC, returned safely to Phnom Penh after attending the SNC meeting at Phatthaya in the Kingdom of Thailand.

Welcoming the delegation at Pochentong Airport were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the Kampuchean United Front for National Construction and Defense [KUFNCD] National Council; Comrade Bou Thang, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Say Chhum, member of the party Central Committee Political Bureau and standing vice chairman of the Council of Ministers; Comrade Mat Ly, member of the party Central Committee and vice chairman of the National Assembly and of the party Central Committee's Control Commission; Mrs. Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Cambodian Federation of Trade Unions; Comrade Nguon Nhel, member of the party Central Committee Political Bureau and agriculture minister; Comrade Ney Pena, member of the party Central Committee Political Bureau and vice chairman of the party Central Committee's Control Commission; Comrade General Sin Song, alternate member of the party Central Committee Political Bureau and interior minister; Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh Party Committee; Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of the Cambodian People's Armed Forces [CPAF] General Staff; Comrade Kong Sam-ol, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers. Also on hand were many comrades in the party Central Committee; leaders of the party, state, and mass institutions; ministers, deputy ministers; and chiefs and deputy chiefs of various central ministries and departments.

KPRP Delegation to CPV Congress Returns

BK2806115791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 28 Jun 91

[Text] On the afternoon of 28 June, the high-ranking delegation of the Kampuchean People's Revolutionary Party [KPRP] led by Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of Ministers of the State of Cambodia, returned safely to Phnom Penh after attending the CPV [Communist Party of Vietnam] Seventh Congress.

Welcoming the delegation at Pochentong Airport were Comrade Chea Sim, member of the party Central Committee Political Bureau, chairman of the National Assembly and of the Kampuchean United Front for National Construction and Defense National Council; Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the Council of Ministers; Comrade Bou Thang, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Say Chhum, member of the party Central Committee Political Bureau and standing vice chairman of the Council of Ministers; Comrade Mat Ly, member of the party Central Committee, vice chairman of the National Assembly and of the party Central Committee's Control Commission; Comrade General Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister; Mrs. Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Cambodian Federation of Trade Unions; Comrade Nguon Nhel, member of the party Central Committee Political Bureau and agriculture minister; Comrade Ney Pena, member of the party Central Committee Political Bureau and vice chairman of the party Central Committee's Control Commission; Comrade General Sin Song, alternate member of the party Central Committee Political Bureau and interior minister; Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh Party Committee; Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of the Cambodian People's Armed Forces General Staff; Comrade Kong Sam-ol, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; as well as many comrades in the party Central Committee; leaders of the party, state, and mass institutions; ministers, deputy ministers; and chiefs and deputy chiefs of various central ministries and departments.

Also welcoming the high-ranking KPRP delegation at the airport was Comrade Tan Phong, acting charge d'affaires of the SRV Embassy in State of Cambodia.

Heng Samrin Chairs Security Work Meeting

BK2806100991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 27 Jun 91

[From the "Weekly Roundup of Salient Events" feature]

[Excerpt] Last week, our high-ranking party-state leaders attended various ceremonies. For example:

Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the Council of State of the State of Cambodia, presided over a meeting to assess the situation of the operations to ensure political security and social order during the first half of the year and to circulate work targets for the second half of 1991.

Closing of the meeting, Comrade Heng Samrin expressed great elation and highly evaluated the spirit of high responsibility and close unity of the meeting participants, in discussing and evaluating the situation, detecting the strong and weak points, good experiences concerning the maintenance of political security and social order, the building of the police forces in the first half of 1991, and the setting of targets for future struggle.

Comrade General Secretary Heng Samrin added that the 1990-91 victories were the common victories of our entire party, Armed Forces, and people, in which the police forces throughout the country had made an important contribution. The comrade reminded the participants that we must be clearly determined that once we are strong strategically and have the superiority and strength over the concrete situation inside the country, no power may harm our people's vital interests. Therefore, the decisive factor rests on our superiority and genuine forces in all aspects. Comrade General Secretary Heng Samrin added that the work to ensure political security and social order is made up of many significant measures, but the fundamental process is to blend all specialized measures, coordinate all existing forces, expand the combined forces of the masses, and maintain the political conditions. [passage omitted]

PRACHEACHON on KPRP's 40th Anniversary

BK2806103791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 27 Jun 91

[PRACHEACHON editorial: "The Kampuchean People's Revolutionary Party—the Sole Leader of the Noble Cause of the Cambodian People"; date not given]

[Text] Today, our entire party, people, and armed forces are joyfully marking the 40th founding anniversary of the glorious Kampuchean People's Revolutionary Party [KPRP] with great pride over the party's wise leadership.

During the past 40 years, persistently carrying on the good tradition of the Indochinese Communist Party [ICP]—the cradle of the KPRP—the party has struggled valiantly, surmounting complex difficulties, tests, and trials, winning successive victories over the colonialists and imperialist aggressors. When, in particular, the traitorous Pol Pot-Ieng Sary-Khieu Samphan clique penetrated the party, usurped the authority of the party leadership, sabotaged the party, undermined the Cambodia-Vietnam-Laos solidarity, converted the party ideals into traitorous ones, and caused a great disaster for the nation and millions of people, the genuine patriots and party members who survived the clique's destructive acts jointly formed a united front, rose up in a struggle that saved the people, and liberated the nation successfully on 7 January 1979.

For more than 12 years after the liberation day, under the wise leadership of the party, and with the assistance of friendly countries, our determined people struggled together to restore and rebuild the country from heaps of ashes, although engaged with national defense work, and brought about all-round development beyond expectation.

The party—the nation's nucleus of unity—has taken deep roots among the ranks of the masses and served as the firm core in directing all aspects of work in the society. The political lines pioneered by the Fifth Party Congress and Second National Conference of party cadres—expanding the rights and freedoms to religious beliefs and traditions, enlarging a new economy, and allocating ownership for lands, houses, and private enterprises to the public—have been vigorously welcomed and supported by the people. Monasteries, schools, hospitals, market places, cultural establishments, and so forth, that were destroyed by the genocidal regime have been repaired and put into sound order to effectively serve the needs of the people.

At the same time, the Cambodian People's Armed Forces [CPAF] have grown up rapidly and are capable of independently taking charge of our tasks with full mastery. They have firmly defended our national independence and people's peaceful way of life.

For nearly the past two years, after the Vietnamese volunteer troops withdrew totally from Cambodia, the Cambodian revolution has developed with steady steps and our forces in all sectors have grown fully along real revolutionary lines, being able to cope with all circumstances.

In the counterattacks against the enemies during the last dry season, we successfully foiled their flagrant military adventures. This brilliant sucess was scored because the party has correct political lines and lively strategic guidelines, enabling it to thus successfully mobilize the great national union and make it proceed steadily. This fact has had a beneficial impact on all aspects of work in society. Coupled with the party-state efforts in the diplomatic field, world public opinion has seen more clearly the caliber of our State of Cambodia.

The present, concrete progress in the search for a political solution to the Cambodian problem actually originated from the good will and advantageous position of the Cambodian revolution's genuine forces. However, in our revolutionary struggle in all fields—political, military, diplomatic, and economic—the building of our genuine forces remains the most complex and urgent issue. This is because the enemies do not really want peace, and still pursue their time-worn tactics in an attempt to topple our people's power in all possible ways.

In the face of this problem and in order to join in celebrating the 40th founding anniversary of the glorious KPRP, the party-state authorities at all levels should pay attention to strengthening unity and harmony within the ranks of the party and armed forces and among all our people. They should also be confident in the strong position of our revolution, be well aware of the enemies' weakness and defeated situation, be steady whenever there are any sudden changes in the situation, and never fall for the enemies' strategic warfare schemes.

Leading cadres and all party members should strictly implement the party lines, abide by the state laws, respect the people's rightful interests, strive to enhance their revolutionary morals and ethics, set a good model in all tasks, lead a simple life, practice thrift, place people's interests above their own, and combine closely with the masses of people and combatants, in order to advance actively toward achieving the party's strategic goals.

All these are important factors, concrete lessons, and experiences we have gained. As Comrade General Secretary Heng Samrin said in his address at the meeting to sum up the 1990-91 dry-season military tasks, more than anyone else, the armed forces must set the framework of our fight within the framework of the protracted struggle, making our firm internal unity, strong armed forces, and resolute masses the decisive factors for all our revolutionary victories.

VODK Commentary on Vietnamization Threat

BK2806041291 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 27 Jun 91

[Station Commentary: "The Vietnamization of Cambodia is the greatest danger to the survival of the Cambodian nation and race"]

[Text] The Hanoi Vietnamese, who sent hundreds of thousands of troops to invade, commit aggression against, and occupy Cambodia at the end of 1978, have a definite strategy to annex Cambodia and include it in the Indochinese federation under Vietnam's control, with the aim of transforming Cambodia into a Vietnamese province. This is why, since Vietnam's aggression against Cambodia along with massacring the Cambodian people, the Vietnamese enemy has implemented a policy to Vietnamize Cambodia through many other means.

1. The Vietnamese enemy has systematically brought in Vietnamese nationals to settle permanently on Cambodian territory. There are over a million of these settlers so far. These Vietnamese settlers have taken up residence in various provinces adjoining the Vietnamese border, from Prey Veng, Svay Rieng, Takeo, Kampot, Kratie, and Kompong Cham Provinces, to the central and western parts of Cambodia in Pursat, Battambang, and Koh Kong Provinces, and so on. They have spread themselves and plundered fertile economic land along rivers, in townships, and in large and small cities, including Phnom Penh.

In zones adjoining the Vietnamese border, such as in Kanhchriech, Peam Ro, and Peam Chor Districts in Prey Veng Province, Kamchay Mea District in Svay Rieng Province, and Neak Luong in Kompong Cham Province, and so on, Vietnamese settlers outnumber the Cambodian population. The Hanoi Vietnamese enemy's aim is to change, within a set period of time, the demographic composition in Cambodia, with the number of Cambodians reduced while the Vietnamese keep increasing until they outnumber the Cambodians. When this happens, Cambodia will be transformed into Vietnam territorially and demographically.

2. These Vietnamese settlers are not ordinary immigrants. They have been clearly organized with even armed groups in families. These Vietnamese nationals have been naturalized as Cambodians by the Hanoi Vietnamese enemy and its puppets and lackeys so that in the future these people can vote or run for election in Cambodia. These people have special privileges over the Cambodian people both in earning a living and in their daily life.

Over the past 12 years, these Vietnamese settlers have fully collaborated with Vietnamese troops committing aggression in Cambodia to cruelly and barbarously mistreat, massacre, oppress, and plunder our Cambodian people.

3. Along with bringing Vietnamese settlers to Cambodia, the Vietnamese enemy has also implemented the policy of crossbreeding by forcing Cambodian women to marry Vietnamese soldiers and Cambodian men to have Vietnamese wives so their offspring will become Vietnamese.

4. In addition to this, the Vietnamese enemy has forced later generations of Cambodian children to learn the Vietnamese alphabet, traditions, and customs and indoctrinated them with Vietnam's Indochinese federation to get Cambodians to respect Vietnam and praise a falsified history to dupe Cambodian children, and so on. This is an attempt to brainwash Cambodian children into becoming Vietnamese.

This is a frightening policy of Vietnamization. This is the greatest danger to the survival of the Cambodian nation and race, both at present and in the future. The Cambodian people clearly realize that Vietnam is a danger to Cambodia's survival. Thus, the Cambodian people clearly realize the necessity of uniting as a great national union force without discrimination against political tendencies or colors—white, black, blue, or red—to cooperate in chasing the Hanoi Vietnamese enemy aggressors out and completely thwart this policy to Vietnamize Cambodia.

We have no other choice than to struggle against the Vietnamese aggressors until they withdraw all their aggressor forces—military and civilian, including settlers—from Cambodia under genuine UN control in accordance with the framework document of the five permanent members of the UN Security Council to solve the Cambodian problem politically. This is the only way for the Cambodian nation and race to survive, for Cambodia to regain peace, security, independence, and sovereignty with its territorial integrity, and for Southeast Asia and the Asia-Pacific region to have durable peace and security.

Indonesia

Report on Cambodian SNC Talks, Island Disputes

BK2806013091 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 28 Jun 91

[Text] Indonesia welcomes the results of the meeting of Cambodia's Supreme National Council [SNC] that took place in Phatthaya, Thailand this week. In a news release issued in Jakarta yesterday, Foreign Minister Ali Alatas said the SNC could now function as a de facto administration to achieve a comprehensive political solution to the Cambodian problem following the five-point agreement in Phatthaya. He said Indonesia and France as cochairmen of the Paris International Conference on Cambodia [PICC] will accredit their representatives to the SNC in Phnom Penh. At the Phatthaya meeting, the warring Cambodian factions agreed to make Phnom Penh the SNC headquarters.

The news release of the Department of Foreign Affairs also disclosed that Indonesia would hold a workshop on the Spratlys and Paracels situated in the South China Sea. The workshop, which is scheduled to take place in Bandung from 15 to 18 July, will strive to turn potentials for a conflict in the area into mutually advantageous cooperation.

The two archipelagoes are currently claimed in whole or in part by the PRC, Vietnam, Malaysia, Taiwan, the Philippines, and Brunei Darussalam. The islands are believed to have huge gas reserves and fish resources.

Suharto Discusses Oil Prices With King Fahd

BK2706135591 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 27 Jun 91

[Text] Indonesia has called on Saudi Arabia to help stabilize crude oil prices in the world market because the stability of oil prices is important not only to consumer countries, but also to producing countries. President Suharto made the call when he held talks with Saudi King Fahd in Jeddah last night.

Speaking to reporters at the Cendana Road presidential residence in Jakarta today shortly after the president returned home from the hajj, Minister-State Secretary Murdiono said Indonesia believes that oil prices should be maintained at a balanced level which benefits producing countries and oil companies but does not impose a heavy burden on consumer countries. Murdiono said King Fahd had promised to pay attention to President Suharto's request and would issue instructions to Saudi oil officials. During the private meeting between the two leaders, President Suharto also expressed his hope that Saudi Arabia would increase its imports of commodities from Indonesia.

Commander Warns of South China Sea Conflict

BK2606060391 Jakarta MERDEKA in Indonesian 21 Jun 91 pp 1, 11

[Text] Medan, Thursday, MERDEKA—Major General H.R. Pramono, commander of the First Bukit Barisan Military Region Command [covering Sumatra and West Kalimantan], has said that the South China Sea could become a turbulent area because the Natuna and Spratly Islands, which are rich in natural resources, are situated there.

He was addressing a function marking the 41st anniversary of the First Bukit Barisan Military Region Command in Medan on Thursday.

He noted that several countries are laying claim to the Spratlys. In addition, the triangle of growth covering Singapore, Johor, and the Riau Islands, which are undergoing rapid economic and industrial growth, could also pose threats.

According to the commander, the possible internal and external threats, including the real ones may stem from strategic developments. [sentence as published]

In the meantime, the traditional threat cannot be suppressed because it may come through "new means" such as gambling, drugs, illegal workers, the theft of forest and sea resources, and various forms of territorial infringement.

According to the two-star general, the threats will obviously challenge national stability and resilience. Thus, all circles are required to readily respond to this reality.

"Any sign of instability must be detected and tackled as early as possible. This being the case, we need a high degree of sensitivity, attention, and reaction," the commander said. "Thus, the Armed Forces of the Republic of Indonesia will be able to achieve truly strong national stability and resilience."

To achieve security, the commander indicated that the First Military Region Command would in no way take risks and make compromises against various phenomena which may cause instability.

"Through the bottom-up [preceding two words in English] mechanism and a paternal philosophy, we will effectively encourage people's initiatives, no matter how minor they may be, to support the development program," the commander said.

He reminded members of the First Military Region Command not to be tempted or even trapped in the currents of freedom leading to anarchy because this will be against responsibility and justice.

On the contrary, the commander said, the Armed Forces of the Republic of Indonesia should not be accused of being too repressive or of curbing creativity or even of conducting "political oppression" which is against human rights.

IRC Officials Allowed To Meet Aceh Rebels

BK2706151991 Jakarta KOMPAS in Indonesian 17 Jun 91 p 5

[Excerpt] Yogyakarta, KOMPAS—The government will allow officials of the International Red Cross [IRC] to meet and hold direct interviews with suspected GPK [Security Disturbance Movement] members currently detained in the Aceh Province. Coordinating Minister for Political and Security Affairs Sudomo disclosed this to reporters after he addressed a closed-door meeting of the Regional Development Supervision Agency at the Radyosuyoso Building in Yogyakarta on 15 June. The meeting was attended by Yogyakarta Governor Paku Alam, members of the Yogyakarta Regional Executive Council, and local civilian and military leaders.

Sudomo said the permission to meet the GPK detainees will be very liberal in the sense that the IRC officials are allowed to ask any questions to the detainees without the presence of government officials. The permission is aimed at showing the international community that there is no security threat in Aceh. If there is any incident, the IRC will also conduct follow-up interviews. [passage omitted]

Agreement Signed With British Aerospace

BK2506155391 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 25 Jun 91

[Text] The National Aircraft Industry, IPTN, and the British aircraft industry, British Aerospace, have jointly agreed to cooperate in the production of the Hawk aircraft at the request of the Indonesian Government. In Bandung today, the IPTN's public relations official said the agreement was signed by IPTN's First Director B.J. Habibie and the British Aerospace First Director Nick Evans in Europe in [word indistinct].

British Aerospace and IPTN are discussing the possibility of implementing such a cooperation in the field of production, observation, construction and development of the aircraft, and technical training.

The British aircraft industry will assist IPTN in the certification of the CN-325 aircraft—a joint production between IPTN and Casa from Spain—and also assist in promoting the aircraft.

The signing of the cooperation agreement between the Indonesian and British aircraft industries was concluded at the 1991 Paris Air Show.

Laos

PASASON Hails Success of CPV Congress

BK2806093791 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 Jun 91

[PASASON 28 June editorial: "Hail the Historic Step of Renovation Under the Leadership of the Communist Party of Vietnam"]

[Text] Respected listeners, after carrying out work with a high sense of responsibility for four days, from 24 to 27 June, the Seventh Congress of the Communist Party of Vietnam [CPV] was closed with brilliant and majestic success. The congress was attended by 1,176 delegates representing more than two million CPV members.

The Seventh CPV Congress constitutes an event of historic significance in the political and social life of the Vietnamese nation. It has established a new step in the cause of renovation and the defense of Vietnam. The historic congress reviewed and assessed the achievements made in the renovation in the economic, political, and social life of the country, which has been in effect for five years so far. At the same time, it also charted a course of national development and construction for Vietnam in the coming five years, as has been clearly spelled out in the political report presented to the congress by Comrade Nguyen Van Linh, general secretary of the CPV Central Committee. The five-part political report stressed that the socialist path remains the only correct path in defining major economic policies for Vietnam. It also touched on the issues of (?political liberalization) and socialist democracy, the party's problems, the initial achievements of the renovation, and the primary tasks in the years to come as well as the socialist construction program in the transitional period and the primary direction of the socioeconomic strategy from now to the year 2000.

All this clearly reflects the success of the implementation of the plans outlined at the Sixth CPV Congress. It also reaffirms that the various directions outlined are suitable and conform to the aspirations of the Vietnamese people in translating into reality the ideals and socialist goals defined by President Ho Chi Minh in the process of carrying out the national liberation seven decades ago. It also reflects the creative application of Marxism-Leninism to the reality in Vietnam.

In addition to discussing documents on the party's program in his political report, Comrade Nguyen Van Linh noted the faith of party members and the entire Vietnamese people in the socialist line. He expressed disapproval of any attempts to set up opposition parties. At the same time, the comrade also said that democracy is the subjective law of the socialist construction.

During the four-day work session held with a high sense of responsibility, the delegates profoundly studied the political report presented by Comrade Nguyen Van Linh. They unanimously endorsed the above-mentioned document and the resolution adopted by the Seventh CPV Congress as well as other important documents, including a document on the amendment of the party's statute to make it compatible with the reality of the renovation. Particularly, the congress voted to elect into office the new CPV Central Committee.

The Lao people and other people in Indochina and all progressive forces in the world wholeheartedly hail the success of the Seventh CPV Congress. We regard this success as a historic step in the renovation under the correct leadership of the CPV. Though adopting different forms and paths for development due to the special characteristics in each country, the Lao People's Revolutionary Party and the CPV have maintained close coordination and mutual support and assistance. We consistently exchange experience and lessons with each other so as to further build our strength and to increase the leadership efficiency of each party in each period of the revolution in the present complex international situation. Even though the hostile forces have employed new schemes trying to create rifts between our two parties, the special Lao-Vietnamese relations of friendship and solidarity have constantly developed. This development clearly reflects the nature of the two brotherly parties which were born from the same source—the Indochinese Communist Party founded and natured by the great

President Ho Chi Minh. All this is the pride of our two parties and nations. Nonetheless, the more we are proud of our special relationship, the more vigilant our two parties, governments, and peoples must become toward all subversive designs of the enemies. We must even more profoundly realize our responsibility in safeguarding and preserving special Lao-Vietnamese relations and solidarity as if they are the apple of our eyes.

We, the Lao people, regard the success of the Seventh CPV Congress as our own. We hope that this success will become a great encouragement for the Vietnamese people in fulfilling the tasks of renovation in the SRV, thereby allowing them to score yet greater achievements.

Japanese Aid Accord for Dam Construction Signed

BK2706022891 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 26 Jun 91

[Text] Today, a ceremony was held at the Foreign Affairs Ministry to sign an exchange document on gratis aid worth 220,271,000 yen, from the Japanese Government to Laos to cover debts incurred in the construction of the Nam Ngum Hydroelectric Dam. The aid money was spent [as heard] by the Lao Government for purchasing food, household utensils, clothes, fuel oil, machines, fertilizer, insecticides, medical equipment, medicine, and raw materials for producing medicine and electrical appliances.

Signing the document on behalf of the Government of the Lao People's Democratic Republic [LPDR] was Souban Salitthilat, deputy foreign affairs minister; and on behalf of the Japanese government, Shigemi Ando, Japanese ambassador extraordinary and plenipotentiary to the LPDR. A number of high-level cadres from various services concerned and staff members of the Japanese Embassy were also present at the signing ceremony.

Children's Aid Package Received From India

BK2806091491 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 27 Jun 91

[Text] On 26 June at the office of the Lao Front for National Construction [LFNC] Central Committee in Vientiane Capital, Phoumi Vongvichit, chairman of the LFNC, received gratis aid materials from Mr. Jambhokar, ambasador of the Republic of India to Laos. The aid materials were 2,250 copies of notebooks, drawing books, and picture books, 45 packages of color pencils, 17 packages of watercolor, and four packages of oil paint worth $4,000.

The aid materials were given to the LFNC on the occasion of the International Children's Day on 1 June and will be distributed to Lao children throughout the country in the near future.

Philippines

Iraqi Involved in Jan Bombing Attempt Deported

HK2806084091 Hong Kong AFP in English 0811 GMT 28 Jun 91

[Text] Manila, June 28 (AFP)—The Philippine Government Friday deported an Iraqi who was wounded while trying to blow up a U.S. cultural center here in January at the height of the Gulf crisis.

Saad Kadhim, 31, was put aboard a Philippine Airlines flight to Singapore, where he was to board a Royal Jordanian Airlines connecting flight to Amman.

Mr. Kadhim was seriously wounded and a fellow Iraqi, Ahmad Ahmad, killed instantly and blown to pieces on January 19 near the Thomas Jefferson Cultural Center, a library and museum here run by the U.S. Information Service.

The number two man at the Iraqi Embassy, consul-general Muwafak al-Ani, and two Iraqi students were deported soon after for allegedly taking part in the bungled bombing.

Mr. Kadhim, who arrived in Manila as a tourist in December and was confined to a military hospital after the blast, was brought to the Manila International Airport under heavy guard on Friday.

He was fingerprinted by immigration agents and his luggage thoroughly checked before he was allowed to board his flight.

"I love the Philippines. I want to return," he told journalists.

Immigration agents said the Baghdad native would return home from Amman by land.

Tariq Kadhim, an Iraqi Embassy finance officer who said he was unrelated to the terrorist, was on the same flight but said it was a coincidence.

Aquino Urges Drafting of Bases Conversion Bill

HK2706044291 Manila PHILIPPINES NEWSDAY in English 27 Jun 91 p 1

[By Dionisio Tubianosa]

[Text] President Aquino yesterday said the government should be fully prepared for a total pullout of the American facilities in the country, and underlined the necessity for Congress to act promptly on the measure creating the Bases Conversion Authority.

"Whether the U.S. will now abandon the bases or not, the bill creating a Bases Conversion Authority is necessary since eventually, the conversion will take place," the President said in a statement issued to Malacanang reporters by Press Secretary Tomas Gomez III.

Health Secretary Alfredo Bengzon, a member of the Philippine bases panel, at the same time, pressed for the passage of legislation early enough to allow the formal review, by the Bases Conversion Authority, of the conversion plan for Clark and Subic in the light of the volcanic eruptions which threaten the viability of the military facilities.

The President, however, refused to answer queries about the latest status of the ongoing bases negotiations with Washington. She also refused to comment on the possibility of any change in the government's position regarding duration and compensation.

The U.S. government, through embassy spokesman Stanley Schrager, said the U.S. had no intentions of abandoning either Clark or Subic in the wake of the Mt. Pinatubo eruptions.

Senate Studies Effect of Volcano on Bases Plan

HK2706115191 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 27 Jun 91

[By Jojo Ysmael]

[Text] The Senate is carefully studying the possible effects of the Mt. Pinatubo eruption on the proposed bases conversion plan.

In relation to this, Senator Shahani, who initiated the Senate study on the effects of the Pinatubo eruption, also said that what happened to Mt. Pinatubo caused various damage not only to man, but to the entire environment surrounding it, including areas covering Clark and Subic.

The senator said that it is expected that the volcanic eruption will have implications for the bases conversion plan of the government, and therefore it is just right that the planned development of Clark and Subic be put in order.

Senator Tanada Urges Making Country Neutral

HK2706115691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Jun 91

[Text] A resolution was submitted to the Senate by Senator Wigberto Tanada which aims to make the Philippines a neutral country. Tanada's resolution aims to prepare the country for the total withdrawal of the U.S. military bases.

According to Senator Tanada, it is time for the Philippines to become a member of the so-called Nonaligned Movement which falls under the Nonaggression Treaties. Tanada also said that if the Americans totally withdraw their military bases, there will be reduced political and military tensions in the region.

Clark, Angeles City in Danger From Mudflows

HK2806044391 Manila PHILIPPINE DAILY INQUIRER in English 28 Jun 91 pp 1, 10

[By Veronica Uy]

[Text] Angeles City, Clark Air Base and Mabalacat, Pampanga, are in real danger of being buried by mudflow, aerial photographs taken by the president of one of the country's largest construction firms show.

Felipe Cruz, Jr., president of Filipinas Systems Inc., showed the INQUIRER a series of photographs of a lake of mud, sand and water which he thinks is the crater of Mount Pinatubo.

"Hini na hakahaka lang (This is no longer mere conjecture). Aetas have reported of the lake. The photographs show na hindi na kwentong kutsero ito [This is not just a coachman's story]," Cruz said. "I don't want to be an alarmist. But the local government units must take the necessary precautionary measures because the danger is real. A fallback position must be planned."

Director Raymundo Punongbayan of the Philippine Institute of Volcanology and Seismology, who was also shown the photographs, said the lake was not the crater of Pinatubo.

"It must be the headwaters of the Sacobia River which was filled with pyroclastic materials," he said. "It cannot be the crater because it is impossible to see the crater these days due to the ongoing eruptions that make visibility very poor."

He added that the photographed area was the possible source of lahars or mudflow that will go down to the main river channels running along the Pinatubo area.

He said that if the identified area was the crater full of sand and mud as claimed by Cruz, "it is too small to cause trouble in the area."

Cruz said the photographs showed the path that the mudflow will take. He said lahar will flow down to either Angeles City, Mabalacat or Clark Air Base.

"But Angeles City is lower. And the path of the mudflow goes straight to a plush village in Angeles," he said.

Earthquakes, heavy rains or a big eruption may trigger flashfloods down the gorges shown in the pictures, he said.

Volcanologists reported that Pinatubo will continue to be active for three years, Cruz said. Earthquakes and eruptions will, therefore, be common occurrences.

Cruz took the photographs on Tuesday aboard his French Gazelle helicopter after Public Works Secretary Jose de Jesus contracted his company to rebuild the destroyed Abacan bridge near Angeles.

"I couldn't take the risk of putting equipment on the river bed without knowing what I'm facing up there (in the mountain)," he said.

Cruz's photographs may be the first to show the existence of the kilometer-wide lake. Cruz was able to get near enough to the area to take aerial photographs because his helicopter is specially equipped to operate in sandstorms or duststorms.

Cruz said De Jesus has mobilized equipment to divert the possible paths of the mudflow after he showed the photos to the public works secretary.

"Secretary De Jesus is doing everything possible to reduce the possible damage the mudflow may cause," Cruz said. "But we cannot fight nature, we can only try to control it. I suggest we wait it out."

Cruz is an architect-engineer who graduated from Columbia University in New York. He heads one of the country's largest construction companies.

Aquino Expects Economic Growth Despite Disaster

HK2806045791 Manila MANILA BULLETIN in English 28 Jun pp 1, 22

[Text] President Aquino expressed optimism yesterday that the economy may still register a positive growth despite the eruption of Mt Pinatubo, in the same way it survived previous calamities and coup attempts.

The President made the statement following the report of Socio-economic Planning Secretary Cayetano Paderanga who said that he expects the rate of the gross national product (GNP), or the total output of goods and services, to remain within the official forecast of between 1.5 to 2.5 percent in spite of the widespread damage caused by Mt Pinatubo's eruption.

In a related development, President Aquino created a task force on the rehabilitation of areas affected by the eruption of Mt Pinatubo to rationalize and integrate government's rehabilitation efforts in view of extensive damage caused by the recent eruption. Budget Secretary Guillermo Carague was designated presidential coordinating officer in his capacity as Cabinet officer for Region 3.

Mrs Aquino said, "What should be remembered is that in the face of coups and calamities, the economy has consistently registered positive growth. We expect that this will continue even with this calamity."

Brushing aside doubts over this positive forecast, she said, "In looking at the performance of the economy, one should always consider the circumstances under which the results are achieved.

With this in mind, we can claim for the country an outstanding achievement, even if the current results would be numerically unimpressive."

Asked about the response of the international donor community at the "pledging session" convened by Paderanga on her instructions, Mrs Aquino clarified that the goverment did not intend to convene a "pledging session" for assistance for victims of Mt Pinatubo's eruption.

"There was no such thing as a pledging session." We felt that countries who are our traditional friends and benefactors should be briefed on the current situation," she said.

Mrs Aquino issued Memorandum No. 369 which creates the task force on the rehabilitation of devastated areas and four committees to assist Carague in the priority areas. She ordered the committees to complete its work within one to two years from the effectivity of the order.

The committees are the following:

1. Infrastructure committee headed by Public Works Secretary Jose de Jesus with representatives of the Department of Transportation and Communication, AFP [Armed Forces of the Philippines] Engineering Brigade, Local Waterworks and Utilities Administration, National Irrigation Administration, National Electrification Administration, National Power Corp as members.

2. Resettlement Committee headed by Environment Secretary Fulgencio Factoran with representatives of the Department of Agrarian Reform, Department of Social Welfare and Development, National Housing Authority and the Office of Northern Cultural Communities as members [ONCC].

3. Livelihood Committee headed by Trade Secretary Peter Garrucho Jr with representatives of the Department of Agriculture, Department of Labor and Employment (National Manpower and Youth Council), the Department of Science and Technology, and the Technology and Livelihood Resource Corp.

4. Social Services Committee headed by Social Welfare Secretary Mita Pardo de Tavera with representatives of the Department of Health, Department of Education, Culture and Sports, the Department of Labor and Employment, and the ONCC.

The task forces will coordinate with the concerned local chief executives in identifying and prioritizing rehabilitation projects, implementing projects in coordination with line agencies, and monitoring projects.

The NEDA [National Economic Development Authority] will serve as the secretariat of the Task Force while the Presidential Management Staff will provide the linkage with the office of the President with the affected local government units. The Regional Development Council for Region 3 will coordinate with the task force and review the development programs, plans and priorities.

Paderanga, who is NEDA, director general, Finance Secretary Jesus Estanislao, and Central Bank Gov Jose Cuisia will be responsible for generating financial and technical assistance from foreign sources.

Immediate Access to Japanese Loan Package Asked

OW2706074491 Tokyo KYODO in English 0730 GMT 27 Jun 91

[Text] Manila, June 27 KYODO—The Philippines is seeking immediate access to a yen loan package due next year to raise money for the reconstruction and rehabilitation of vast areas devastated by the Mt. Pinatubo volcano, finance officials said Thursday.

Finance Secretary Jesus Estanislao said Filipino diplomats in Tokyo are talking with Japanese officials on the possibility of starting negotiations for the loan package, the 18th given by Japan.

"What we have to figure out is a way of accelerating the 18th yen loan package and have a component of that to be used for the rehabilitation," Estanislao told reporters after meeting with 50 representatives of donor countries and international fund agencies.

Japan provided about 1 billion dollars for the 16th and 17th loan packages disbursed in 1989 and 1990.

Estanislao said he hopes the 18th loan package will amount to 1 billion to 1.3 billion dollars.

On Thursday, Philippine economic and finance managers gave representatives of donor countries and funding agencies figures on the losses wrought by Pinatubo and the cost of reconstruction.

The Central Luzon volcano erupted earlier this month, killing 289 people, according to office of civil defense figures.

Estanislao said the Philippines also is eyeing the possibility of realigning loans already made and those in the pipeline from the Asian Development Bank [ADB] and the World Bank.

He said there still is available money from a 100 million dollar loan from the Asian Development Bank and 125 million dollars from the World Bank. The loans currently are paying for other projects.

Combined with loans now being arranged, the ADB and World Bank loans could provide roughly 250 million dollars for restoration work, Estanislao said.

He said the loans now being arranged should be reconfigured to address reconstruction needs.

Preliminary estimates from the Economic Planning Agency peg the volcano damage at 3 to 5 billion pesos (107 to 125 million dollars).

"Probably, this (damage due to eruption) is going to be a little bit more expensive than the earthquake simply because we don't know when the volcano is going to stop erupting and when the volcano is going to stop wreaking havoc in the area," Estanislao said.

Pinatubo's eruptions since June 9 have buried rice fields under tons of ash, destroyed the infrastructure in three provinces, and heavily damaged the U.S. Clark Air Base and Subic Bay Naval Station.

More property damage is feared because the wet season's rains could spawn mudslides.

Earthquake Funds Diverted to Pinatubo Funds

HK2806044991 Manila THE CHRONICLE in English 28 Jun 91 pp 1, 7

[By Rene del Los Reyes]

[Text] The Philippines got the consent of the international donor community to divert $220 million (about P [Philippine pesos] 7 billion] in unused earthquake funds for rehabilitation of areas affected by the eruptions of Mt. Pinatubo, Finance Secretary Jesus Estanislao said yesterday.

Emerging from a meeting to brief foreign donors and governments on the extent of the disaster, Estanilao said the World Bank and the Asian Development Bank—two of the country's biggest creditors—had agreed to grant the Philippines flexibility in its use of the funds.

He said the government could now channel some of those funds to the three-phased multi-billion-peso rehabilitation and reconstruction program being put together by economic planners for Zambales, Pampanga and Tarlac.

Estanislao said the government will also seek to hasten the approval of the $1-billion 18th yen-loan package expected from Japan next year, although he said Manila "has not yet touched base with the Japanese government on the matter."

He said the donors "were only too happy to grant our request for a reconfiguration of previously committed funds in the light of the disaster."

The realignment covers additional loans and grants already in the pipeline, such as assistance for public works and highways projects.

Estanislao cited a $150-million loan for road management that is being withheld by the World Bank and which could possibly be reconfigured now to focus on Region III.

He stressed that Manila had not yet initiated negotiations for any new loans specifically for the Pinatubo disaster, but did not rule out the possibility of doing so.

Estanislao said the government would ask Tokyo for a speedy approval and disbursement of the 18th yen-loan package.

The Overseas Economic Cooperation Fund (OECF) of Japan recently signed the $869-million 17th yen-loan package agreement and has yet to disburse a single cent from the project loan component of the package.

OECF senior representative Hiroshi Tanaka said the only amounts that had been disbursed from the package are those for the program loan component that would go to the fishery and forestry sectors.

In the first statement yet by any government official that disaster financing requirements could be bigger than expected, Estanislao said the rehabilitation cost this year could exceed P15 billion, particularly if volcanic activity heightens or continues.

He pointed to the difficulty of determining when pyroclastic flows from Mt. Pinatubo would stop and the problem such uncertainty poses for rehabilitation efforts.

Public Works and Highways Secretary Jose de Jesus said Tuesday his department will build temporary bridges in the short term because it could not plan to construct permanent structures yet until after it had been ascertained whether such facilities would not be destroyed or damaged by further eruptions or flows.

Meanwhile, Foreign Secretary Raul Manglapus downplayed reports indicating that the United States might abandon its two main military facilities in the Philippines because of the prohibitive cost of rehabilitating them.

He said damage to the bases had not been total and the cost of rehabilitating them would not exceed the price of one of the Americans' high-tech "stealth" planes. He placed the price at about $120 million.

He did not say whether this was the estimate of Washington or Manila.

Manglapus said the Philippines is not likely to reduce its compensation request in the current bases negotiations, which he expects to resume next month, when U.S. special negotiator Richard Armitage arrives.

If Manila were to change its $829-million bases compensation demand at all, it would be to raise the figure since the Philippines suffered a good deal more than the Americans in the Pinatubo disaster, Manglapus suggested.

Estanislao said the authorities will have to reassess the government's tight fiscal program in the light of the expected additional budgetary requirements of rehabilitation.

Aquino Signs 1991 Budget Act, Vetos Provisions

HK2806114991 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 28 Jun 91

[By Magtanggol Rodriguez]

[Text] President Corazon Aquino signed into law the 1991 General Appropriations Act but vetoed two of its provisions—the debt cap provision and the provision limiting the use of calamity funds.

The 1991 budget which amounts to 286.8 billion [Philippine] pesos according to the president has long been awaited and includes a number of meaningful projects.

[Begin Aquino recording in English] We can likewise release the funds for many noteworthy projects incorporated in the act, including the 2.5 billion-peso additional internal revenue allotted to local governments, the 650 million-peso infrastructure subsidy to the autonomous region in Muslim Mindanao, the 400 million-peso assistance for the Navy modernization program, and the 500 million- peso abotkaya [affordable] housing fund. [end recording]

At the same time, the president instructed Budget Secretary Guillermo Carrague to release all funds for the foreign-assisted projects even as she appealed for a five percent mandatory reserve part of which can be used for the rehabilitation of areas affected by the eruption of Mt. Pinatubo.

[Begin Aquino recording in English] I note with approval several measures to increase government savings. In particular, I would like to mention the provision on the five percent mandatory reserve. Part of the savings which we would be able to generate will augment the requirements for the rehabilitation of areas affected by the Mt. Pinatubo eruption. [end recording]

Damage Caused to Military Facilities Reported

HK2706054891 Manila BUSINESS WORLD in English 27 Jun 91 p 10

[Text] The damage to military facilities and installations by the eruptions of Mt. Pinatubo has now reached P [Philippine pesos] 729.673 million, the Office of Civil Defense (OCD) reported.

This amount covers damage in Basa Air Base where the country's principal air interceptor unit, the Philippine Air Force 5th Fighter Wing, and four other support squadrons are housed.

Col. Ben Enrile, public information officer of the Armed Forces of the Philippines (AFP) told BUSINESS WORLD. "We will not abandon Basa. But, the rehabilitation of that base will take slow ... wala naman tayong pera (and we don't have the money)."

He, however, said the buildings there are already very old and it would be better to replace them with new ones.

The rehabilitation of Basa will now be part of the military's multibillion modernization program, he said.

The real loss however is damage to aircraft, he said.

One option is to sell the spare parts of the F-8 Crusaders jet bombers since 1970 to industrialized nations. [sentence as published]

Meanwhile, Col. Enrile said there have been no ceasefire violations in areas affected by Mt. Pinatubo's eruptions.

Because of this, he said, the military was able to concentrate on relief and rehabilitation efforts. As of yesterday, the OCD reported that more than 300 kilometers of roads were cleared by the AFP's engineering brigades.

Cleared roads have made possible the entry of relief goods into Zambales, Tarlac, Pampanga and Bataan and opened lines of communications.

Col. Enrile also noted that the biggest group operating right now in these calamity areas is the military.

The OCD reported that a total of 12 bridges and 16 government and/or private buildings have been damaged.

PAF Planes To 'Temporarily' Move to Palawan

HK2806045191 Quezon City MALAYA in English 28 Jun 91 pp 1, 2

[By Vincent Atos]

[Text] The Philippine Air Force [PAF] said yesterday it will temporarily move the 5th Fighter Wing based at Basa Air Base in Floridablanca, Pampanga to Palawan because of extensive damage and continuous threats of mudflows to the Central Luzon facility by the Mt. Pinatubo eruption.

Maj. Gen. Loven Abadia, Air Force chief, said 70 percent of vital installations and facilities inside Basa were damaged by ash spewed out by the volcano when it erupted last June 9 after 600 years of slumber. The base runway is covered by ash and sand four inches deep.

"From the air, you could see that the damage to the base was terrible," Abadia said.

He placed damage to the base at P [Philippine pesos] 714 million and said it will take the government P1 billion and 10 years to make it fully functional again.

Abadia said the Antonio Bautista Air Base, or the 570th Air Base, in Puerto Princesa will serve as the temporary home of the 5th Fighter Wing whose T-33 and S-211 planes were flown to different air bases after the eruption.

The Palawan base is headquarters of the Western Command that has jurisdiction over the Spratly Islands being claimed by the Philippines, Taiwan, Vietnam, Malaysia and China.

Abadia said the 2,280 Air Force personnel and their dependents evacuated from Basa Air Base are at present housed in tents at Villamor Air Base.

He said their transfer to other air force bases is being discussed.

Citizens' Group Urges 1992 Polls Cancelled

HK2706112491 Manila PHILIPPINE DAILY INQUIRER in English 27 Jun 91 pp 1, 8

[Text] A newly organized citizens' group yesterday urged President Aquino to cancel the elections scheduled for next year and instead establish an "interim government" to meet the social and economic crises facing the country today.

Two members of the Commission on Elections [Comelec] contacted for comment on the proposal made by the Citizens Committee On The National Crisis saw clear constitutional, financial and legal obstacles to the cancellation of the 1992 elections.

Commissioner Haydee Yorac said the Constitution will have to be amended and a new provision adopted for the polls to be postponed. She said more than P [Philippine pesos] 300 million will be needed for the ratification process that will accompany such an amendment.

"The Constitution sets the term of office of elective officials. By June 30, all of them will cease to be public officials ... I cannot see any way to get around the constitutional provision setting the presidential elections for the second week of May next year," she said.

Comelec Commissioner Dario Rama said elections cannot be postponed unless a new law is passed. He said Republic Act 7056 which President Aquino recently signed into law set the date for the national and local polls.

Rama said that should the Supreme Court find it unconstitutional to hold the local elections after June 30, "Congress might enact another law to re-calendar the local polls. But this is highly speculative."

A petition to declare the syncronized polls unconstitutional is currently pending before the high tribunal.

In an open letter to the President, the Citizens Committee On The National Crisis, of which economist Alejandro Lichauco is the secretary general, said that to proceed with the scheduled elections would be "folly of criminal proportion" considering that the nation is "economically paralyzed by its bankruptcy, seething with social unrest, overwhelmed by massive poverty, unemployment and skyrocketing prices, hounded by a chain of natural disasters and tottering on the verge of civil disaster."

The group said that to proceed with the elections, which is estimated to cost the government officially at least P600 million, would "mock the distress of our people and the tragedy of the nation."

They said that the official estimated cost for holding the elections does not even include the expected billions of pesos of "misappropriated government resources" which will be spent for electioneering purposes.

The group claimed this money would be spent at a time when equally vast sums are needed to "mitigate the agony of disaster victims and rehabilitate disaster areas.

The group said that if any message were to be read into the eruption of Mount Pinatubo, it is that "we squat on a social volcano which is being stirred and goaded to eruption by the ineptness, greed and betrayal of the nation's leaders in both the public and the private sectors."

Leftist Party Supports Nine Senate Candidates

HK2706040091 Manila PHILIPPINE DAILY INQUIRER in English 27 Jun 91 p 6

[Text] The leftist Partido ng Bayan [PnB—People's Party] yesterday said it will support at least nine senatorial candidates in the 1992 national elections.

Etta Rosales, PnB spokesperson, told a news conference the leftist party will participate in next year's elections.

She said the party will finalize the list of senatorial candidates it will support at a two-day congress this weekend.

She said the party will concentrate on local elections where it has more chances of winning but will coalesce with other political parties for the national elections.

"We plan to form an electoral movement with other political parties for the national polls," Rosales said.

"We have informal discussions with several presidentiables [presidential hopefuls] about the platforms of government they intend to present before the people. We intend to support those who have pro-people, anti-foreign debt and anti-U.S. military bases sentiments."

She warned that the 1992 elections may turn out "to be the bloodiest, the costliest and the diriest under Ms. Aquino's rule unless real reforms are realized beforehand."

Rosales said PnB which lost in the 1987 elections has assessed past mistakes and will organize its electoral machinery down to the precinct level.

She added that the PnB is "saddened that it was not Commissioner Haydee Yorac who was appointed to head the Commission on Elections."

Strike Paralyzes Iligan City Transportation

HK2806035691 Manila PHILIPPINE DAILY INQUIRER in English 28 Jun pl pp 1, 11

[Unattributed article "with a report by Manny Timonera"]

[Text] Militant drivers and plantation workers in two Mindanao cities yesterday joined a nationwide campaign for a reduction of oil prices and staged a one-day strike.

Public transport was paralyzed in Iligan while operations of five big plantations were crippled in General Santos.

Business and transport operations, however, returned to normal in Legazpi and Davao cities where militant drivers and factory workers went on strike Wednesday.

Crispin Beltran, chairman of the Kilusang Mayo Uno [KMU-1 May Movement], said similar mass actions will be launched next week, culminating in a general strike, or welga ng bayan, the following week if the government still refuses to roll back fuel prices by then.

Beltran, rejecting appeals by President Aquino and labor Secretary Ruben Torres for a moratorium on mass actions, urged the government to heed labor's "minimum" demand for a provisional reduction of P [Philippine peso] 1.92/liter in oil prices.

KMU had petitioned the energy Regulatory Board for a P5/liter reduction in fuel prices following a collapse of world crude prices.

But the government said price cuts can only be made in August when the deficit of the Oil Price Stabilization Fund [OPSF] shall have been wiped out.

Beltran said a P1.92/liter provisional reduction will hardly affect the OPSF buildup.

KMU officials reported that jeepney, taxi and bus drivers led by the Transport Cooperative Council were able to completely paralyze public transport in Iligan. Classes in some public and private schools were suspended.

Police said 90 percent of the drivers stopped plying their routes as early [as] 4 a.m. Police fielded jeeps, vans, and trucks to assist stranded commuters.

In General Santos City, partial reports reaching the KMU office in Manila indicated that workers walked out of their jobs in three big plantations—Checkered Farms, Saranggani and Stanphilco.

Thousands of workers at the Dole plantation and the Sta. Monica Canning Co. also took part in the one-day strike.

In another development, police said it has uncovered a communist plot to assassinate PNP [Philippine National Police] officials, the killing to coincide with KMU mass actions.

A captured communist assassin said the plot was hatched by Gregorio Rosal, spokesman of the New People's Army [NPA] command in Southern Tagalog.

Cesar Nazareno, PNP director general, identified the captured NPA rebel as Rolando Bogavil Jr., 22, commanding officer of the guerilla unit of the Danilo Sonio Committee in Mindoro Island. Bogavil was arrested June 21 in Barangay Real, Calamba, Laguna.

Bogavil said Rosal ordered on June 21 an 11-man NPA team from Socorro, Mindoro Oriental, to link up with other teams from Quezon.

Bogavil was arrested in Calamba before he could contact the other NPA leaders.

Police found a .45 cal. pistol and a hand grenade in Bogavil's possession. During follow up operations, agents seized an Armalite rifle, a rifle grenade, seveal hundred rounds of ammunition, and subversive documents.

Nazareno said Bogavil has confessed to his participation in the ambush-slaying of Lt. Col. Romeo Decena, Mindoro assistant commander, on No. 8, 1988; Capt. Alinarte, chief of the 1st Regional Special Action Force, in May, 1990; Capt. Victor Narciso, commander of the 268th PC [Philippine Constabulary] Company, in 1988; and the ambush of the 2-5th PC Company on April 9, 1991.

DOJ Files Charges Against Honasan, Others

HK2706113791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Jun 91

[By Sonny Casulla of DZRH Unit No. 9]

[Text] The Department of Justice [DOJ] formally filed coup d'etat charges against ex-Lieutenant Colonel Gregorio Gringo Honasan and eight others who were involved in the failed bombing and destruction of fighter planes and main facilities in Basa Air Base in Pampanga on 21 December 1990.

The others charged aside from Honasan were expelled rebel soldiers Lieutenant Colonel Victor Batac, Lieutenant Colonel Dante Bernarte, Captain Reynaldo Ordonez, and Patrolman First Class Marianito Garape, and civilians Reynaldo Perez, Rafael Bunanan, Jesse Tolentino and a certain person with the alias Raffy.

Gringo and eight other coup plotters were charged with rebellion by DOJ State Prosecutors Frederico Melecuton, Melchor Sadang, and Eulogio Mananquil in Pampanga Regional Trial Court, or RTC.

Assistant Chief State Prosecutor Aurelio Trampe said that if the alleged coup plotters were proved guilty of violating the new coup law they will be given a life sentence with no recommended bail for their temporary release.

This is the first ever case filed by the DOJ in relation to the violation of Article no. 134-A of the revised penal code, which was altered by Republic Act No. 6980 or 68 [as heard]. The new coup law was signed by President Corazon Aquino on 24 October 1990.

Meanwhile, the DOJ dismissed complaints against Major Abraham Puruganan, Navy Commodore Domingo Calajate, businessman Vicente Ting Puyat, and 11 others for lack of direct concrete evidence linking them to the said violations.

Logging Firm Accused of Harboring Subversives

HK2606052591 Davao City THE MINDANAO DAILY MIRROR in English 21 Jun 91 pp 1, 17

[Text] A group claiming to be an anti-communist labor organization claimed in a press statement yesterday two members of the Communist Party of the Philippines (CPP) are sitting in the Board of Directors of the Lianga Bay Logging Company in Lianga, Surigao del Sur.

According to the Tagong Anti-Komunismong Kalihukan sa mga Mamumu-o [Secret Anti-Communist Movement] of TAKUKAMA it has discovered the setup when it was able to penetrate the militant labor union controlling the rank-and-file employees of the company.

It said that the unit it has organized inside the company is tasked to conduct a covert inquiry as to the status of the existing union in the company and to render a detailed report on its activities and the men controlling or directing the activities.

The TAKUKAMA claimed that it found out one of the members of the board of directors of the Lianga Bay

Logging Company who it said is a member of the CPP is a leader of the KMU [1 May Movement]- Mindanao based in Davao City.

The TAKUKAMA press statement said that the findings of the organization's men inside the logging company only reinforces its charges that the KMU is a communist front organization.

It also said that those who are interested in the anti-communist labor organization will accept workers who are willing to join the group.

It advised those concerned to just get in touch with TAKUKAMA contact men within their respective labor unions.

The press statement was signed by a certain Jose Macabuhay, spokesman of the group.

'High-Ranking' NPA Official Captured 25 Jun

HK2706124391 Manila DIYARYO FILIPINO in Tagalog 27 Jun 91 p 8

[By Jun Tiosen and Pablo Hernandez]

[Text] A high-ranking official of the New People's Army [NPA] was captured Tuesday night in Calamba, Laguna. The said official was ordered by Comrade Roger to assassinate 17 policemen belonging to the Southern Police District [SPD].

According to Senior Inspector Aaron Fidel, chief of Calamba Police, the captive was identified as Rolando Bernardo, alias Comrade Ronnie, 22, from Dolores, Gumaca, Quezon.

He is a member of the provincial guerrilla committee and the executive committee of Mindoro Island party committee, which is part of the Southern Tagalog regional party committee.

Among the items recovered from Bernardo's bag were one armalite, a .45 caliber handgun, a grenade, and subversive documents.

According to the report by Fidel, the suspect was captured at about 2100 the other day in Riverside, Barangay Real, Calamba, Laguna.

The report said that Bernardo and his companions went down to the river to wash their clothes. While they were busy washing their clothes, he was seen by a local official, who noticed his suspicious movements and immediately reported his presence to the police.

Bernardo was about to leave, but was captured when the authorities arrived. During the investigation, Bernardo admitted to Fidel that they came from Mindoro and that he was among one of 13 members ordered by Gregorio Rosal, alias Comrade Roger, of Banahaw Command to go down form the mountains and fulfill their mission of liquidating 17 policemen of the SDP stationed in Las Pinas, Pasay City and the Paranaque Police Station.

It is known that the suspect was involved in the slaying of a high-ranking police official in Marinduque and numerous liquidations in Manila with the Alex Boncayao Brigade.

Bernardo has been a regular member of the NPA for five years and has completed military and political studies.

Meanwhile, one policeman, one Philippine Army soldier, and two civilians were killed, while 10 were seriously injured when they were attacked by the NPA at dawn the previous day in San Miguel Police Station and a camp of the Philippine Army-Citizens Armed Forces Geographical Unit [PA-CAFGU] in Surigao del Sur.

It was reported that the NPA also kidnapped two members of the Philippine National Police [PNP].

Those killed were Police Corporal Dulcesimo Miranda and Private First Class Tangan of the Philippine Army. Seriously injured were Sergeant Patricio Mangaday and Corporal Carlito Ora, both of the Philippine Army; Private First Class Edgar Lantaca of the San Miguel Police Station; and Eddie Roluna, Antonio Lambaco, and Monico Acevedo, all CAFGU members.

Those kidnapped were Patrolman Emerson Claro and Patrolman Perlido Yolad, both stationed at San Miguel Police Station.

Two unidentified civilians were killed and four others were seriously hurt in the rebel attack.

According to the report, the NPA attacked the San Miguel station and the PA-CAFGU at about 0400.

The government troops resisted the attack but were eventually overpowered by the NPA.

The rebels were able to seize four M-16 armalite rifles, one .38 caliber handgun, three rifle grenades, two metal detectors, and one icom radio.

Members of Regional Command 11 immediately responded, but the rebels were able to escape.

On the other hand, three members of the NPA and six others were captured by combined forces of the 266th PNP Company, 5th PNP Field Force, and PNP Special Action Force in their insurgency operation against the rebels in Barangay Mapuyo, Masbate the other day.

The others are yet to be identified.

Alleged Communist Leader Arrested by Military

HK2706053291 Manila MANILA BULLETIN in English 27 Jun 91 p 8

[By Aris Ilagan]

[Text] Army intelligence operatives arrested yesterday a woman leader of the Communist Party of the Philippines-New People's Army (CPP-NPA) who was tagged principal suspect in the killing of several of her comrades suspected as "deep penetration agents" of the government in Agusan del Sur.

In a report to Maj. Gen. Arturo Enrile, Army chief, the captured CPP-NPA leader was identified as Maria Luisa

Purcray, alias "Mariem Scion" who is allegedly the CPP-NPA provincial party committee secretary based in Agusan del Norte.

Purcray carried a P100,000 cash reward when she was arrested by Army operatives led by Lt. Amador Tabuga at a store in Poblacion, Bayuga town, Agusan del Sur.

Reports said that she had two pending warrants of arrest issued by a Regional Trial Court (RT) judge in Cagayan do Oro for two counts of murder.

Based on intelligence reports, Purcray was among the influential communist leaders in Agusan del Sur who led the "purging" of their comrades who were tagged as "deep penetration agents" [DPAs] of the military.

The operation of the CPP-NPA to cleanse its ranks of suspected DPAs was dubbed as "Oplan [Operation Plan] Zombie," reports added.

Oplan Zombie was activated by the CPP-NPA leadership following setbacks suffered by the communist movement in its guerrilla warfare against government troopers in the region.

Army authorities said that Purcray was positively identified by several surrenderees and witnesses as the peerson behgind the killing of many NPA guerrillas in Misamis Oriental and Agusan del Sur.

138 MNLF Members Surrender in Tawitawi 25 Jun

HK2606023791 Manila MANILA BULLETIN in English 26 Jun 91 p 8

[By Aris Ilagan]

[Text] Busuanga, Tawitawi—A top leader of the outlawed Moro National Liberation Front (MNLF) and his 137 armed followers surrendered yesterday to Defense Secretary Fidel V. Ramos here.

The surrenderees, led by Aying Akip, alias "kumander Munap," have expressed confidence that the national leadership is now serious in providing the much-delayed services for the Mindanao residents.

Kumander Munap, who was the political officer of the MNLF, also turned over 49 assorted high-powered firearms which were used by the rebels during their years of fighting the government in a bid to seek independence for the region.

The surrender of Kumander Munap was facilitated by Rep Romulo Espaldon and Mayor Harum of Simunul town after several days of negotiations.

Japanese Bank To Reschedule Outstanding Loan

HK2406032491 Manila BUSINESS WORLD in English 24 Jun 91 p 2

[By Alex B. Reyes]

[Text] About Y [Japanese yen] 11.1 billion (P [Philippine peso] 2.2 billion] in outstanding Philippine debt to the Export-Import Bank of Japan will be rescheduled towards longer maturities, Japan Exim Bank Philippine Represenative Kazunori Umeda told BUSINESS WORLD last Friday.

The rescheduling of the loans was made possible by the agreement forged last week with the country's official creditors known as the Paris Club.

Under the terms agreed upon with the 13-member Paris Club, of which Japan is the country's largest creditor, all official loans and interest payments falling due between July 1, 1991 and August 31, 1992 will be rescheduled.

Mr. Umeda said the agreement means the Y11.1 billion maturing loans in the period will be stretched out towards 15-year maturities, including an 8-year grace period.

Interest rate on the loans will be decided in bilateral negotiations between the Department of Finance and Exim Bank officials, but since the loans aren't given at concessional terms, it is expected that the new interest rate will hew closely to market rates.

Mr. Umeda said loans falling due between August and December, 1992, can also be rescheduled towards the same terms, provided that the country is able to extend its 10-month International Monetary Fund program to cover the same period.

The IMF Stand-By Arrangement or economic stabilization program was signed last February and expires at end-August 1992.

Good Choice

Mr. Umeda said from the point of view of new inflows, the debt negotiating panel's strategy of pursuing debt rescheduling from the Paris Club rather than Poland-type of debt forgivenness deal was sound.

"I think the Philippine Government made a good choice. If it had risked a debt write-off, then your country would be outside international financial markets," he said.

He reiterated Japanese Government policy that the Philippines would be cut-off from existing loans and ineligible for new loans should a debt write off be undertaken.

As of March 31, 1991, the Philippines had 69 outstanding loans from the Exim Bank, with a total value of Y196.3 billion (about P38.9 billion).

The total consisted of 14 export suppliers' credits worth Y30.9 billion; an import credit of Y2.9 billion; 18 overseas investment credits of Y6.4 billion; and 36 direct loans to the Government and public sector worth Y156.1 billion.

Joint Soviet Water Purifying Venture Reported

HK2406033491 Manila MANILA BULLETIN in English 24 Jun 91 p 13

[Text] Dr. Ricardo S. Soler, chairman of Solerex Water Technologies, announced recently that his company has entered into a tie-up with Dr. Evgeniy Mozzhukhin of the Institute of Chemistry and Physics of the Academy of Science of the Union of Soviet Socialist Republics, based in Moscow, for the design, development, and eventual fabrication of ultra-sophisticated water purification devices.

They will finally be completed and assembled in the Philippines for local sales and export throughout the world, Solar said.

Dr. Mozzhukhin, who is also general director of the Soviet-Dutch Joint Venture firm AMMO, was in Manila recently for meetings with Solerex engineers. Solerex is a leader in the local production of water filtering, softening, disinfection and purification equipment and is the processer and bottler of Crystal Clear 100% Purified Water, considered to be one of the finest bottled waters in the world.

Soler said, "The water purification device will be based on high-density ozone oxidation, a technology in which the Soviets excel. The device will be available for various applications ranging from single-faucet, point-of-use (POU) residential units to larger point-of-entry (POE) units for industrial and commercial uses. Much larger units for application in municipal and subdivision water treatment plants will be available as well."

Ozone treatment of water not only to remove bacterial content but also to oxidize and eliminate noxious chemicals and toxic wastes is steadily replacing the standard chlorination of water in most parts of the world. It is less expensive and increases the life of activated carbon, an essential water filtering agent by 90 percent.

Investments, Projects Drop in First Five Months

HK2506050591 Manila THE CHRONICLE in English 25 Jun 91 p 1

[By OLive Melaya, staffmember]

[Text] Investments during the first five months of the year reached P41.14 billion [Philippine peso], down 5% from P43.3 billion during the same period last year, the Board of Investments (BOI) reported yesterday.

The number of projects registered with the BOI also went down by 20%, to 923 from 1,139 projects last year.

But Acting Trade and Industry Secretary Peter Garrucho Jr. remains optimistic that the target of P85 billion in investments for the entire year could be exceeded with improvements in investments conditions during the second half of the year.

The P41.14 billion investments registered with the BOI is 48.4% of the total target.

More foreign investments are expected following stabilization measures such as reduced budgetary deficits, lower interest rates and stable exchange rates, Garrucho said. The enactment of the Foreign Investments Act is also considered a booster to investments.

Garrucho also cited the approval of the 1991 Investments Priorities Plan [IPP] as another plus factor for more investments. The IPP provides clear guidelines to potential investors investing in strategic industries. He added that these positive factors would help quicken the pace of investments to overcome the slack of 5% in investments for the first five months of 1991.

Investments in equity dropped by 21% to P18.324 billion this year, from P23.269 billion in 1990. Foreign investments accounted largely for the decline. Foreigners poured in P9.185 billion, or 28% less than the P12,833 billion they invested last year. Filipinos, on the other hand, invested P9.139 billion, or 12% lower than their investments of P10.435 billion in 1990.

The Japanese remained the top foreign investors, accounting for P3.118 billion. Their contribution, however, was 36% lower than their 1990 investments of P4.843 billion. Hong Kong nationals ranked second, improving their investments by 26%, from P780 million last year to P984 million.

The British increased their equity investments by 3.75% to P890 million form P188 million; the Americans, up by 20% to P861 million from P719 million; South Koreans, up by 143% to P543 million from P223 million.

Last May, major BOI-approved projects were a glass container venture of San Miguel Corp. costing P1 billion; newsprint and kraft container board of the Paper Industries Corp. of the Philippines, P860 million; tourist accommodation facility of the Royal Plaza Ventures and Management Corp. P662 million; copper concentrate of Lepanto Consolidated Mining Co., P359 million; and FRP [expansion unknown] pipes of Sarplast Philippines, P300 million.

First Quarter Trade Position Down; Imports Up

HK2406043891 Manila PHILIPPINES NEWSDAY in English 24 Jun 91 p 8

[By Grace C. Sison]

[Text] The country's trade relations with the different world groups worsened further during the first quarter this year as imports from its trading partners grew strongly despite the dampening impact on the inflow of goods due to the imposition of the 9 percent import levy, while export sale slowed down.

Latest Central Bank [CB] statistics on the international merchandise trade showed that the Philippines posted a negative trade balance with five of the seven major world groupings as of end-March while it recorded a trade surplus with two of its biggest trading partners.

Industry sources attributed the worsening trade position of the Philippines to the sustained high import expenditures registered in the first quarter which offset the country's export earnings. As a whole, import payments rose by 7.93 percent (from $2.824 billion to $3.048 billion) while export earnings inched up by only 3.95 percent (from $1.95 billion to $1.027 billion).

Contrary to some reports that the controversial levy will reduce the demand for imported goods and discourage importation, import demand from all the major commodity groupings except other countries rose during the first three months of the year.

Also, the export sector was not spared from the adverse efforts of the levy as many manufacturers complained that its imposition resulted in higher manufacturing costs since most of the companies are highly import dependent. CB figures showed that lower export levels were recorded with two groups while one group showed no change during the three-month period.

The country registered the widest trade gap with the Economic and Social Commission for Asia and the Pacific region as the deficit reached $417 million during the first quarter. This represented a 10.03 percent jump from the $379-million gap posted the previous year.

RP [Republic of the Philippines] trade with the Middle East recorded a $359-million deficit due to the double-digit growth in imports and the lower demand for exports. This marked an 18.87 percent rise from the year-ago's $302-million gap.

Three other groups that posted negative trade balances with the Philippines were Japan with $111 million, socialist countries with $22 million, and other countries with $236 million.

Meanwhile, the country managed to enjoy a favorable trade balance with two groups, albeit minimal as it comprised only 12.14 percent of the total trade gap.

The country enjoyed a $69-million trade surplus with the U.S. in the first quarter, down by a sharp 53.69 percent from the year-ago's $149 million. Trade with the European Community, on the other hand, ended with a $55-million surplus, or 30.95 percent higher than the $42 million posted in the same period last year.

Thailand

Military Leaders To Visit Beijing in Jul

BK2806091291 Bangkok XING XIAN RIBAO in Chinese 28 Jul 91 p 1

[Text] Chinese Ambassador to Thailand Li Shichun will travel to Phatthaya on 29 June to meet Prince Sihanouk to exchange views on the progress of the Cambodian peace process.

Meanwhile, Army Commander General Suchinda Khraprayun is scheduled to visit Beijing on 16 July. Supreme Commander Gen. Sunthon Khongsomphong will also leave for Beijing on 23 July.

Foreign Minister To Visit Cambodia in Nov

BK2706140891 Bangkok Radio Thailand Network in Thai 1200 GMT 27 Jun 91

[Text] Foreign Minister Asa Sarasin said the Supreme National Council [SNC] of Cambodia will hold its next meeting at the Cambodian Embassy in Thailand in August. Prince Norodom Sihanouk will be in Thailand again in October, to prepare for the establishment of the SNC headquarters in Phnom Penh in November. He said that all Khmer factions could use the Cambodian Embassy in Thailand. Meanwhile, Thailand will recognize the SNC later.

The foreign minister added that he would visit Phnom Penh in November at the invitation of Prince Norodom Sihanouk. He said that peace in Cambodia will benefit all parties. It will particularly ease Thailand's burden on shouldering large numbers of Cambodian refugees. The foreign minister also said the allegation that Thailand serves as a route for arms supplies sent to help the Khmer factions was not true. Now, all Khmer factions have agreed to a permanent cease-fire.

Peace Prospects Good

BK2806004991 Bangkok THE NATION in English 28 Jun 91 p A18

[Editorial: "Khmer Peace in Sight"]

[Text] The latest Cambodian peace talks in Phatthaya ended on a very optimistic note, with an indication, on paper at least, that there might be some light at the end of the tunnel for a country that has not known peace for over 20 years.

Cambodian resistance chief Prince Norodom Sihanouk seemed to leave his mercurial temperament outside the Royal Cliff Beach Hotel in Phatthaya and smoothly played a new role as a peace broker. In the end, he managed to win the acceptance of the other Cambodian leaders to serve as de facto chairman of the Supreme National Council (SNC). More importantly, he engineered an agreement whereby the four warring factions acquiesced to an immediate ceasefire and a cessation of foreign arms shipments. The decision to stop arms shipments was a major step towards a final peace settlement.

Such a moratorium on external military aid was a key demand of the Phnom Penh Government eager to see a halt to Chinese arms supplies to the Khmer Rouge through Thailand. The United States is also widely believed to have provided covert arms to the non-communist resistance factions of Sihanouk and former prime minister Son Sann.

Sihanouk's success deserves a round of applause, but before we break open the champagne bottles and toast peace, we should realize that words and action are two different things. Phnom Penh and the resistance have held numerous rounds of talks; they have often taken a few steps forward only to retreat several steps afterwards. Previous agreements that they called breakthroughs often fell apart or were stalled in bickering. For example, both sides previously agreed to a truce starting May 1, then promptly accused each other of violations a few days later.

One of the major sticking points is how to monitor the ceasefire and the end to the arms shipments. Trying to prove that the Khmer Rouge is not getting more arms will be almost impossible, because quite simply there are too many routes they can use along the Thai-Cambodian border.

Though the Khmer Rouge accepted an immediate and indefinite ceasefire, they said in Phatthaya that they wanted it monitored by a team of 500-700 UN personnel. Phnom Penh on the other hand was not prepared to yield sovereignty to the world body. It also fears disarmament might not be strictly carried out in the countryside, where the resistance forces are active.

Phnom Penh and the resistance also failed to make progress on resolving fundamental differences over the UN-brokered peace plan formulated by the five permanent members of the Security Council. The SNC, made up of 12 members equally divided between Phnom Penh and the resistance, was formed to negotiate the implementation of peace plan.

After that is resolved, the SNC is supposed to help guide the nation in a period leading up to UN-supervised elections. All three factions in the resistance have accepted the UN peace plan, but Phnom Penh has rejected demobilizing its army before the elections (one of the preconditions in the draft peace plan) and wants measures to ensure the Khmer Rouge do not attempt a takeover of Cambodia by force.

The primary weakness of the draft UN peace plan is with regard to the ceasefire process before the elections. According to the plan, the ceasefire is to be executed in two phases: first under the good offices of the UN secretary-general and secondly under the UN peace-keeping machinery. Why two phases, one might ask?

The plain truth is the UN-peacekeeping machinery is so slow that it needs at least six months before it can organize and dispatch a military contingent. As it stands, the six-month transition period would offer a golden opportunity for some parties in the dispute to make territorial advances. This is a particularly sensitive point if peace is to be achieved in Cambodia because there is always the fear that the adversary will disarm less quickly and less completely than one's own side, so that mistrust invariably sets in.

In the present case, the risk is that of the Khmer Rouge continuing to have a formidable force of 30,000-40,000 troops lurking in the Thai border sanctuaries, when all the other forces have been demobilized.

The shifting in positions of China and Vietnam—the two opposing sponsors in the 12-year-old Cambodian conflict—offers a glimmer of hope. Perhaps not coincidentally, the Phatthaya meeting came just as Vietnam's Communist Party gathered for its important seventh congress in Hanoi. The removal of anti-Chinese Foreign Minister Nguyen Co Thach from the Politburo signals a softening of Vietnam's support for the Phnom Penh Government it installed in Cambodia after its December 1978 invasion.

Hanoi's shift mirrors a recent diplomatic retreat by Beijing, the main patron of the Khmer Rouge, which has announced it would start to improve ties with Hanoi during the Cambodian settlement process rather than after, and has stopped sending arms to the Khmer Rouge.

Thailand too must make a firm commitment in ensuring that peace comes to Cambodia by not allowing its soil to be used as sanctuaries by the Khmer Rouge or as a conduit for foreign arms shipments to the resistance factions. Premier Anan Panyarachun's announcement in Phatthaya on Wednesday night that Thailand was ready to accredit an ambassador to the Cambodian SNC once it is in Phnom Penh, is the first step towards making that commitment.

The ordinary Cambodians have suffered long enough as pawns in a game of power politics which for the last few years has looked as though it could drag on indefinitely. At this point they deserve peace more than anything else.

11,000 Cambodian Refugees Repatriated Since Nov

BK2806091891 Bangkok Radio Thailand Network in English 0000 GMT 28 Jun 91

[Text] A total of 11,000 Cambodian refugees from camps in Thailand have returned to their country since November last year under a United Nations voluntary repatriations program.

Director General of the Armed Forces Information Office General Narudon Detpradiyut said the number is expected to rise remarkably after the four warring Cambodian factions have announced their cease-fire and confirmed their refusal to any proposed military assistance.

He said those conditions would assure the refugees of their safety after resettlements.

The Royal Thai Government has set aside more than 15 million baht this fiscal year to run the Cambodian refugee camps.

The United Nations High Commissioner for Refugees or UNHCR has, meanwhile, provided 6 million baht for the same project, while the United Nations Border Relief Operations gave 37 million baht for similar assistance.

Soviet Planes Released After Emergency Landing

BK2806010191 Bangkok THE NATION in English 28 Jun 91 p A3

[Text] The Royal Thai Air Force yesterday released four Soviet planes, 15 Soviet military personnel and a Laotian national who made an emergency landing on Saturday in Udon Thani.

Their release was decided after Thai officials determined that the planes flew into the Thai territory as a result of bad weather and were not on a spy mission.

The four Antonov-2 transport aircraft were being delivered to Laos when they made the emergency landing on Saturday on a vast earth field at the Voice of America relay station being constructed in Ban Dung District.

The planes had taken off from the air force base in Danang, Vietnam, and were forced down at about 1:30 pm because of low fuel.

Security at the VOA station was apparently tightened yesterday when a bus bringing the Soviet officers and the Laotian from a hotel in downtown Udon Thani arrived at the compound.

The bus and its occupants were thoroughly searched by security officials at the compound. Even Thai policemen and Air Force officials were checked and asked to carry pass cards.

The Soviet officials were allowed to check their planes and, before boarding, they gave some souvenirs, such as Soviet coins, banknotes and insignias to Thai reporters and authorities.

The Laotian official, Khian Khanthava, quoted the Soviet officers as saying that they had been impressed by the hospitality of the Thai authorities.

The Soviets would like to have the chance to visit Thailand again, Khian said.

Air Marshal Prawit Photpraphat, Assistant Air Force Chief of Staff, presided over a brief ceremony before releasing the planes.

Prawit told the Soviet officials that Thailand understood that they had to make the emergency landing and said that they had not wanted to detain them for so many days.

Malaysia Gives Thanks for Dropping Logging Case

BK2806074091 Bangkok Voice of Free Asia in English 1500 GMT 27 Jun 91

[Text] Malaysia thanks Thailand for its decision not to prosecute nine Kelantan State Forestry Department officials for alleged illegal entry and illegal logging in southern Thailand, Deputy Foreign Minister Abdullah Fadzil Che Wan said Wednesday.

Thailand's decision reflected support for the spirit of understanding, cooperation, and goodwill among the Association of Southeast Asian Nations countries, Abdullah told reporters.

News reports said Thai authorities had agreed to drop the case and to return the 7.6 million baht posted as bail for the men by the government of Malaysia's Kelantan State.

Vietnam

General Anh Reportedly Named Head of State

OW2206132491 Tokyo KYODO in English 1307 GMT 22 Jun 91

[Text] Hanoi, June 22 KYODO—Defense Minister Gen. Le Duc Anh, known as a moderate reformist within the military, has been named Vietnam's new head of state, sources in the Vietnam Communist Party said Saturday.

They said Anh will replace Vo Chi Cong, who is retiring.

They said the change was decided Friday at a preparatory meeting for the seventh party convention.

He accompanied outgoing party General Secretary Nguyen Van Linh on Linh's trips to China last September and to Laos in March.

Anh was regarded as a possible choice for party general secretary after Linh's retirement.

Linh was replaced by Premier Do Muoi as party general secretary, other sources in the party told KYODO NEWS SERVICE.

Nguyen Co Thach: Tokyo's Policy 'Too Timid'

OW2706083591 Tokyo KYODO in English 0825 GMT 27 Jun 91

[By Masanori Kikuta]

[Text] Hanoi, June 27 KYODO—Foreign Minister Nguyen Co Thach said Thursday Japan's policy toward Vietnam is "too timid," referring to Tokyo's official maintenance of economic sanctions imposed after Hanoi's 1978 invasion of Cambodia.

"My personal assessment of the Japanese policy is that it is not cautious but too timid," Thach told a press conference.

"I don't use it in the pejorative sense neither in the positive connotation." [as received]

Thach said he has received letters from National Assembly members saying Vietnam is entitled to raise the issue of compensation for the deaths of 2.5 million Vietnamese people caused by Japan's World War II invasion and starvation policy, if Tokyo will continue using settlement of the Cambodian conflict as a condition for lifting the embargo.

He informed Japanese Foreign Minister Taro Nakayama of the move at a meeting in Hanoi on June 11.

"But I also told him that I don't want to embarrass the Japanese side by mentioning the condition," Thach said.

Nakayama asked him not to mention this, he added.

Thach officially acknowledged for the first time that he will resign as both foreign minister and a member of the Vietnamese Communist Party's policy-making Politburo when the National Assembly meets in July, after this week's party convention.

A new list of 13 Politburo members selected at the four-day convention that ended Thursday confirmed the resignation of Thach and six other senior leaders, including party chief Nguyen Van Linh and President Vo Chi Cong.

Thach, who has been foreign minister since 1980, denied his resignation stemmed from failure to normalize relations with the United States, which led other capitalist nations in slapping the embargo against Hanoi.

He said he is quitting "out of my personal wish" to write about the methodology of Vietnam's foreign policy and also due to his advanced age, not because he was victimized by U.S. policy.

"I am only a victim of the law of physiology because I am now 68," he said.

Thach said the party congress was different from the previous one in December 1986 in that the party is "much more determined to take our country toward a market economy" under a policy of renovation, known as "doi moi."

The previous convention, which adopted the doi moi policy, "was much more timid" toward pursuing the reform program, he said.

Foreign Ministry Welcomes SNC Results

BK2806005291 Hanoi VNA in English 1449 GMT 27 jun 91

[Text] Hanoi VNA June 27—The Vietnamese Ministry for Foreign Affairs today welcomes the results of the Phatthaya meeting of the Supreme National Council (SNC) of Cambodia as an important step on the path toward an overall solution to the Cambodia issue.

In a statement the spokesman for the Foreign Ministry said: Vietnam welcomes and highly values the results of the new SNC meeting in Phatthaya considering its the right course to achieve a political solution to the Cambodia issue, consonant with the Cambodian people's legitimate interests and with the interests of peace, stability, friendship and cooperation in Southeast Asia and the Asia and the rest of the world.

Vietnam once again reaffirms that it will respect all SNC decisions concerning questions that come under Cambodia's sovereignty. Together with other countries, Vietnam will do all it can to contribute to the early achievement of an overall political solution to Cambodia on the basis of respect for Cambodia's sovereignty and in line with the United Nations Charter.

Function Marks Cambodian Party Anniversary

BK2706160291 Hanoi VNA in English 1444 GMT 27 Jun 91

[Text] Hanoi VNA June 27—A film show was given here today by the Ministry of Culture, Information, Sports and Tourism to mark the 40th anniversary of the People' Revolutionary Party of Kampuchea (June 28).

Present on this occasion were Vice Minister Nong Quoc Chan and Cambodian Ambassador to Vietnam Uch Borit.

Broadcasting Meeting in Ho Chi Minh City Closes

BK2806064591 Hanoi VNA in English 0608 GMT 28 Jun 91

[Text] Hanoi VNA June 28—The State Council conferred the Friendship Order on the Asia-Pacific Institute for Broadcasting Development (AIBD) at the closing session of its Governing Council's 17th conference held in Ho Chi Minh City Thursday. The distinction was handed over to the AIBD Director-General Dato Abdullah Mohamad by Vice-Minister of Culture, Information, Sports and Tourism Le Thanh Cong.

At the conference, Indonesia was elected president for 1992-93, and Pakistan, Bangladesh, China, Thailand and the Philippines were elected new members of the Governing Council.

The conference discussed issues relating to the institute's finances, management, investment and security fund, as well as its programme for 1992.

In the field of personnel training, AIBD plans to organise 27 regional courses, 26 subregional courses and 27 local courses, two of which will be hosted by Vietnam, one for training television programme directors, the other for transfer of colour TV production technology.

The conference also chose Kuala Lumpur, Malaysia, as the venue of the 18th Governing Council meeting.

Fiji

Government Threatens Use of Army Against Unions

BK2806090891 Hong Kong AFP in English 0816 GMT 28 Jun 91

[Text] Suva, June 28 (AFP)—The Fijian Government warned Friday that it could use the army to quell disturbances arising from a national strike planned for next month, but admitted it could not be sure of the army's support.

Acting Prime Minister Josevata Kamikamica said the government wanted to avoid a collision with the 35 trade unions planning to strike on July 16 in protest against anti-union labour law reforms.

When asked at a news conference here if the 5,000-strong army would be deployed to face thousands of striking workers, Mr. Kamikamica said: "That depends how the situation develops."

He said he could not answer if the army commander, Major-General Sitiveni Rabuka, would agree to the government's call.

He was asked if, in light of recent differences between government and army, the army could be expected to back the government during a national strike.

"That is for Rabuka," Mr. Kamikamica said. "I cannot answer that."

The government, he said, was adamant that it would not negotiate with the Fiji Trades Union Congress because it had withdrawn recognition of it in 1984.

"They haven't changed their attitude since then," he said.

He defended the government decrees of May 29 which provide for 14 year jail sentences for unionists striking in essential services.

"We would take action within these decrees," he said. "The decrees were put in place to ensure they keep in line."

He said government would take unionists to court if they were guilty of contravening the laws by organising the strike.

"If it is proven in court that a particular union or unionist has taken action to destroy the economic life of this country, then they have to accept the consequences."

Mr. Kamikamica said as far as the government was concerned "the decrees are there and we would act on that if necessary, but I hope we don't have to."

Mr. Kamikamica also admitted the government was now being forced to revise its estimates of four percent growth in gross domestic product for 1991 "because there are a lot of uncertainties in the whole situation."

Papua New Guinea

Soldiers Ambushed by BRA in Bougainville

BK2806100491 Hong Kong AFP in English 0906 GMT 28 Jun 91

[Text] Port Moresby, June 28 (AFP)—Two soldiers were ambushed and one seriously wounded in renewed fighting on Bougainville between Papua New Guinea troops and the Bougainville Revolutionary Army (BRA), reports here said.

The skirmish was the first outbreak of hostilities on the island for 10 months, since the first round of peace talks between Papua New Guinea and secessionist leaders.

A report in the daily POST COURIER newspaper said the two soldiers were ambushed by BRA forces as they returned from a trip to Siara, a village on the northern tip of Bougainville.

The POST COURIER, quoting intelligence reports, said the BRA had issued a warning to forces on the nearby Buka Island that they were ready to launch an all-out attack against security forces on Bougainville.

The report says the BRA used high-powered weapons during the ambush, and they had not been provoked by any Papua New Guinea troops.

The latest developments come only days after Port Moresby sacked the Bougainville military task force chief, Colonel Leo Nuia, and replaced him with Col. Joseph Bau Maras.

Col. Nuia was dismissed after comments he made to the ABC's Four Corners program, confirming atrocities by troops on Bougainville and that Australian helicopters were used as gunships, against the conditions set by Australia.

The report says all PNG troops on Bougainville have been placed on full alert while they wait for Col. Maras to take up his post.

More than 1500 people died during the bloody secessionist uprising on Bougainville, about 800 kilometres (500 miles) east of Port Moresby, in 1989 and 1990.

A further 3,000 are believed to have died following the uprising as a result of the government's total blockade of the island.

Secessionist leaders declared independence on May 17 last year after troops were withdrawn. But up to 300 troops have been stationed on the northern tip of the island since a raid in April this year.

Defence officials in Port Moresby have so far refused to comment on the incident.

Tonga

Parliament Approves $40 Million New Budget

BK2806091691 Melbourne Radio Australia in English 0500 GMT 28 Jun 91

[Text] Parliament in Tonga has passed the country's budget for the next financial year after one and a half weeks of debate. The 1991-1992 budget totals $40 million [currency not specified], up $2.7 million over the previous year. The

Legislative Assembly also passed the capital development budget of almost $29 million. Tonga's financial year begins on 1 July.

A government spokesman said only three hours of parliamentary overtime were necessary to pass the budget—a record. Tongan members of parliament are paid overtime for sitting beyond normal hours.

Vanuatu

Prime Minister Appoints New Cabinet Ministers

BK2806074691 Melbourne Radio Australia in English 0500 GMT 28 Jun 91

[Text] Vanuatu's prime minister, Father Walter Lini, has announced the appointment of five new ministers following yesterday's sacking of four members of his cabinet. The new ministers include the former speaker of Parliament who resigned earlier in the week. Onneyn Tahi takes up the transport, public works, ports, and marine portfolios. The other new faces are Cecil Sinker who becomes health minister; (Daniel Yamliam), minister for land; David Tanarango, the new minister for home affairs; and the fifth is Kacor Wass, responsible for commerce, industry, and cooperatives.

Father Lini also announced that he has taken back the telecommunications, civil aviation, judicial services, and energy portfolios which he allocated to other ministers before he went to Australia last month for medical treatment.

The dismissed ministers include the foreign minister, Donald Kalpokas, and Home Affairs Minister Iolu Abbil. However, both men retain their senior positions in the ruling Vanuaaku Party.

Father Lini wrote to all four ministers early this month ordering them to pledge their loyalty to him or resign.